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Overview of Federal School Improvement Program

LEGISLATIVE ANALYST'S OFFICE

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On Education Finance

Hon. Wilmer Amina Carter, Chair





Federal Accountability Under the No Child Left Behind (NCLB) Act

- ☑ Under the NCLB Act of 2001, schools and districts must meet annual performance targets towards the goal of all students reaching proficiency by 2014.
- ☑ Title I schools and districts that fail to meet annual federal performance targets for two consecutive years enter Program Improvement (PI).
- ☑ Upon entering PI, both schools and districts must conduct a self-assessment and develop a reform plan with the help of a technical assistance provider.
 - Program Improvement districts receive technical assistance through a regional support system, the Statewide System of School Support (S4). (The S4 also provides support to non-PI districts with PI schools.)
 - In turn, districts provide technical assistance and support to PI schools.
- ☑ Districts and schools that fail to meet performance targets after being in PI for two years are subject to federal sanctions (see next page).



Federal Sanctions for Failing to Improve

Sanctions for School Districts in Program Improvement (PI)

The State Board of Education is required to impose one of the following corrective actions on districts:

- ✓ Defer programmatic funds or reduce administrative funds.
- ✓ Institute a new curriculum.
- ✓ Replace school district personnel.
- ✓ Remove schools from jurisdiction of school district and establish other public governance supervision.
- ✓ Appoint a trustee in place of the superintendent of school board.
- ✓ Abolish or restructure the school district.
- ✓ Authorize students to transfer to other school districts.

Sanctions for Schools in PI

Districts are required to impose one of the following corrective actions on schools:

- ✓ Replace responsible staff.
- ✓ Implement new curriculum.
- ✓ Significantly decrease management authority at school level.
- ✓ Appoint an external expert to advise school.
- ✓ Restructure internal organization of school.

If PI schools fail to meet performance requirements after entering corrective action, districts must prepare a restructuring plan that must be implemented within one year. Options include:

- ✓ Reopen school as a charter.
- ✓ Replace most of the school staff.
- ✓ Hire private management company to operate school.
- ✓ Turn the operation over to the State Department of Education.
- ✓ Other major restructuring.



Two Sources of Federal Funding for Improvement Activities



Both Title I, set-aside funding and School Improvement Grants (SIGs) are available to support school improvement efforts. However, the two funding sources have different requirements.

- States are required to set-aside 4 percent of their Title I grant to support school improvement efforts, including the S4. However, if the state determines that available funding exceeds identified school improvement needs, federal law allows the state to allocate excess funds using the Title I basic formulas.
- The SIG funds are somewhat more restrictive, in that funds cannot be used for statewide technical assistance. Grants also are subject to minimum (\$50,000 per PI school) and maximum (\$500,000 per PI school) amounts.



Tiered Intervention Program for Districts in Corrective Action



In 2008-09, the state established a tiered intervention program that provides support to PI districts in corrective action.

- **Tier 1:** Districts with the most severe problems are assigned a District Assistance and Intervention Team (DAIT) and receive \$150,000 per PI school.
- **Tier 2:** Districts with moderate problems must contract with a state-approved DAIT and receive \$100,000 per PI school.
- **Tier 3:** Districts with minor problems must contract with an external technical assistance provider and receive \$50,000 per PI school.



As shown in the figure below, two cohorts of districts already have been identified for corrective action, and an additional 35 districts are expected to enter corrective action in 2009-10.

Participation in Corrective Action Program		
	Number of Districts	Number of Funded Schools
Identified in 2007-08		
Tier 1	7	43
Tier 2	37	400
Tier 3	53 ^a	701
Subtotals	(97)	(1,144)
Identified in 2008-09		
Tier 1	1	6
Tier 2	25	161
Tier 3	24 ^b	67
Subtotals	(50)	(234)
Expected in 2009-10		
Tier 1	1	5
Tier 2	18	140
Tier 3	17	64
Subtotals	(35)	(209)
Totals	182	1,587
^a Includes one County Office of Education (COE).		
^b Includes four COEs.		



Base Federal Funding Higher Than Ongoing Cost of Program

Federal School and Program Improvement^a			
<i>(In Millions)</i>			
	2008-09	2009-10	2010-11
Ongoing Funding			
Title I, set aside	\$65	\$66	\$66
School Improvement Grant	62	62	62
Subtotals	(\$127)	(\$128)	(\$128)
One-time Carryover	\$51	\$66	\$165
Total Funding	\$178	\$193	\$292
Program Costs			
Corrective Action Program	\$102	\$18	\$45
Statewide System of School Support	10	10	10
Evaluation	0.3	0.3	0.3
Total Program Costs	\$112	\$28	\$56
Balance	\$66	\$165	\$237
^a Estimated funding levels and program costs.			

- ☑ About \$193 million in base federal funding for school and program improvement will be available in 2009-10.
- ☑ Of the \$193 million, about \$165 million remains undesignated. That is, the state currently has no plan or proposal for spending these existing base funds.
- ☑ According to the California Department of Education, \$16 million of the existing carryover is in danger of reverting if not used by September 2009.



No Plan for Additional Federal Stimulus Funding



In addition to base funding, California is to receive \$45 million in Title I, set-aside funding and \$346 million in SIG funding as part of the federal economic stimulus package.

- Half of the Title I, set-aside funds were received by the state on April 1, with the remainder expected by October.
- The U.S. Department of Education has not yet disclosed when SIG funding will be released.
- The administration does not have a plan for allocating these funds. Thus, subsequent legislative action still is needed for determining the specific use and allocation of these funds.



Options for Using Available Funding

- ☒ Increase the per school grant amount.
 - Grant amounts could be increased by \$50,000 per PI school. Under this scenario, districts with minor performance problems would receive \$100,000 per PI school, districts with moderate performance problems would receive \$150,000 per PI school, and districts with severe performance problems would receive \$200,000 per PI school.
- ☒ Expand the types of districts that are funded.
 - Grants could be awarded to non-PI districts with PI schools in restructuring.
- ☒ Extend the length of time districts in the program are funded.
 - Districts could be awarded grants for two or three years instead of only one year.
- ☒ Disperse Title I set-aside funds using the Title I basic grant formulas.
- ☒ Use SIG funding to mitigate short-term cuts to PI schools participating in Quality Education Investment Act program.