

Using Federal Funds to Support a Comprehensive Initiative

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Emerging Trends

- Inter-program collaboration
 - Comprehensive planning: identifying best strategies for struggling students
 - Coordinated spending: braiding different funding sources to support comprehensive strategy
- New federal grants management rules, cost principles, and single audit standards under OMB's "omnicircular"
 - Supports coordinated spending
 - Also requires robust internal controls

What is Coordinated Spending?

- A different approach to program planning
- Rather than planning separate activities for each federal funding stream, start with:
 - Student/school needs
 - Determination of what federal funding source can support those needs
- Often, more than one funding source can support an initiative

Example: Effective Instruction

- Title I Schoolwide Schools
 - Upgraded curriculum
 - Improved instructional materials
 - Reorganized school day to extended time for teachers
- Title I District Level
 - Data analysis in Title I schools
 - Teacher mentoring/coaching in Title I schools
- Title II
 - Professional development
 - Teacher mentoring
 - Principal academies
- IDEA
 - Professional development relevant to meeting needs of SWDs
 - Planning time for teachers to review relevant data

Benefits of Coordinated Spending

- More significant impact for students:
 - Leveraging funds to maximize support
 - Reducing duplication among programs

Coordinated Spending is Permitted by Federal Law

- The U.S. Education Department General Administrative Regulations (EDGAR) authorize coordinated spending so long as the recipient:
 - Follows federal spending rules
 - Tracks how federal funds are spent

(34 CFR § 76.760)
- Coordinated spending is not the consolidation of funds, but a way to use multiple funding sources to support a project

Recent Guidance from ED Supporting Coordinated Spending

- Examples of Leveraging ESEA and IDEA Funds for Digital Teaching and Learning:
<http://www.ed.gov/edblogs/technology/files/2013/06/Federal-Funds-Tech-DC-.pdf>
- Federal Programs and Support for School Counselors:
<http://www2.ed.gov/policy/elsec/guid/secletter/140630.html>
- Maximizing Flexibility in the Administration of Federal Grants:
<http://www2.ed.gov/programs/titleiparta/flexswp091313.pdf>

Key Issues to Think About

- Eligibility requirements
- Permissible grant activities
- Caps
- Mandatory set-asides
- Fiscal rules (e.g. supplement not supplant)

Key Issues to Think About (cont.)

- Federal cost principles:
 - How does the activity being funded further federal program goals?
 - How does the activity being funded address student/school needs?
 - Is the amount spent reasonable in light of student/school needs?
 - Is the item being used to benefit eligible populations?
(inventory management connection)
 - Does the amount paid reflect a fair market value?
(procurement connection)

Strategies for Promoting Coordinated Spending

- Rethink and clarify use of funds policies
- Review planning/application processes to look for hidden barrier to effective spending
- Revamp oversight processes to focus on outcomes

Omnicircular can help!

Resources

- Maximizing Federal Education Funds for Student Achievement: A Toolkit for States Seeking to Enhance Flexibility and Reduce Burden (CCSSO)
<http://programs.ccsso.org/link/CCSSOToolkitonMaximizingFunds.pdf>
- The Money You Don't Know You Have for School Turnaround: Maximizing the Title I Schoolwide Model (Mass Insight)
http://www.massinsight.org/publications/stg-resources/240/file/1/pubs/2013/07/12/FedEd_SDN_supplemental_funds_toolkit_FINAL_7_11_13.pdf

Strategy #1: Rethink and Clarify Use of Funds Policies

Use of Funds Policies

- Federal grants can often support a wider range of activities than is commonly known
- Title I is often limited to reading and math
 - But can support many subjects like science, social studies, art
- Title II is often limited to out-of-classroom professional development or class size reduction
 - But can support many human capital initiatives such as job-embedded supports, merit pay, teacher advancement
- IDEA, Part B is often limited to discrete IEP services
 - But can support comprehensive initiatives like UDL or screening and progress monitoring instruments

Common “Missed Opportunities”

- Restrictions that limit the schoolwide model
- Failure to explore the full range of permissible Title II activities
- Underutilizing the “coordinated early intervening services” set-aside under IDEA, Part B

Schoolwide Opportunities

- At the **school level schoolwide program schools** may use Title I to support any reasonable activity:
 - To upgrade the school's educational program,
 - Consistent with the school's needs, and
 - Consistent with the schoolwide plan

This is true whether the school/LEA consolidates funds or not

Use of Funds Options in Schoolwide Schools

- Examples of permissible uses of Title I in a schoolwide program school:
 - Upgrade the curriculum for the entire school
 - Implement an early warning system
 - Extend the school day or school year
 - Reorganize class schedules to increase teacher planning time
 - Revamp the school's discipline process
 - Hire additional teachers
 - Reorganize classes to promote personalized learning
 - Implement career academies
 - Implement school safety programs

Common Restrictions on the Schoolwide Model

- Requiring schools to maintain a list of struggling students and/or requiring Title I services to be targeted only to struggling students
 - Statute permits schools to serve all students (e.g. whole school PBIS system)
- Requiring schools to focus only on whole school interventions that touch every student
 - Statute permits schools to focus on specific needs (e.g. 9th grade academy)
- Relying on traditional supplanting tests
 - Statute calls for an alternative supplemental funds test

Title II Opportunities

- ED pushing for more effective Title II spending
- ED's "wish list"
 - Meaningful needs assessments based on educator surveys and evaluation results, classroom observations, student mastery of standards, professional learning communities and performance tasks, etc.
 - Closer link between needs assessment and spending
 - Professional development that:
 - Supports college- and career-ready standards
 - Is evidence-based and is intended to have a substantial, measurable, and positive impact
 - Is based on input from teachers and principals

Current Title II Spending

(from ED survey)

Activity	Districts allocating Title II, Part A funds, %
Hiring highly qualified teachers to reduce class size	46.7
Professional development activities for principals and superintendents	29.0
Professional development activities for teachers and paraprofessionals	64.2
Initiatives that promote professional growth and reward quality teaching	19.9
Programs to recruit and retain highly qualified personnel	13.9
Teacher testing in academic areas	7.6
Private school professional development activities	23.2
Tenure reform	0.3
Administrative expenditures	35.1
Combined with other Federal program funds under the Rural Education Achievement Program (REAP)	6.5
Transferred to another title through ESEA funding transferability provisions	7.7

Permissible Title II Activities

- Recruiting/retaining teachers, principals, and in some cases school counselors, school social workers, and school psychologists
- Financial incentives for teachers in shortage areas
- Financial incentives for teachers or principals with a record of success in helping low-achieving students/schools
- Professional development for teachers, including job-embedded supports
- Professional development for principals and superintendents
- Teacher mentoring programs
- Induction supports for new teachers or principals
- Tenure reform
- Merit pay
- Teacher advancement initiatives
- Class size reduction

IDEA, Part B Opportunity: Coordinated Early Intervening Services

- Option to set-aside up to 15% of IDEA, Part B grant to provide services to non-disabled students struggling to succeed in the general education environment
 - Set-aside is mandatory in certain circumstances
- Underutilized tool to support struggling students
 - Less than 15% of LEAs exercise this option (*National Assessment of IDEA Overview, 2011*)

State and Local Strategies

- Omnicircular opportunity to rethink existing use of funds policies/guidance
 - Written procedures for determining the allowability of costs (200.302(b)(7))
- Consider user-friendly use of funds guidance
 - Scenarios
 - Focus on activities that are consistent with state/local priorities

Strategy #2: Review Planning/Application Processes



Coordinated Spending Coordinated Planning



- Planning works best when done outside of silos
- Federal tools to promote consolidated planning:
 - Consolidated application authority for ESEA
 - Using one planning tool to meet multiple requirements/objectives
 - Revisiting existing process to make sure required by federal law/streamlined to the extent feasible

Strategy #3: Revamp Oversight Processes to Focus on Outcomes

Omniscircular Focus on Performance

- “These modifications are a key component of a larger Federal effort to more effectively focus Federal resources on improving performance and outcomes while ensuring the financial integrity of taxpayer dollars in partnership with non-Federal stakeholders”
- “The final guidance includes provisions that focus on performance over compliance to provide accountability for Federal funds”

Subrecipient Monitoring Requirements

- Omniscircular clarifies the scope of monitoring:
 - States must evaluate each subrecipient's risk of noncompliance and monitor the subrecipient accordingly
- Makes clear that monitoring can encompass a range of activities such as training, technical assistance, reporting, and on-site reviews

Rethinking Monitoring

- Many states have interpreted “monitoring” to mean a standalone process through which the state conducts a back-end compliance review of an LEA’s federal programs
- **New rules:**
 - OMB makes clear “monitoring” activities can happen throughout the grant cycle, and states have substantial discretion to oversee different aspects of federal program implementation through different processes
 - OMB’s approach discourages “one-size-fits-all” monitoring systems; states have the flexibility to tailor their monitoring processes to each entity’s level of risk.
 - May help reduce burden at both the state and local level

Thinking Beyond Coordinated Spending

- Omniscircular permits:
 - Cost allocation based on any reasonable documented basis (200.405(d))
 - Performance plans to blend funds based on performance-oriented objectives (200.430(i)(7))
 - OMB approval of “new strategies” that draw on innovative program design and promote federal policy and cost effectiveness (200.102(d))

Omniscircular Resources

- Omniscircular: <http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>
- OMB technical assistance documents: http://www.whitehouse.gov/omb/grants_docs
- ED blog (including email address for questions/comments): <http://www.ed.gov/edblogs/ovae/2014/03/07/the-omb-super-circular-is-now-the-omni-circular/>

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