

The Every Student Succeeds Act (ESSA) Background and Key Questions: Funding

ESSA—What should education advocates know?

There are **several key provisions** within ESSA that education advocates should know about. Below is more detail on the **funding** provisions within ESSA, which govern millions of dollars in federal resources to the state.

What is it and why does it matter?

Under ESSA, **~\$25 billion** in federal funds are provided to states to support their education priorities and plans, including approximately \$58 million to Delaware in 2012-13. Much of the original intent of the Elementary and Secondary Education Act of 1965 was to provide **equitable support and resources to low-income and high-needs students**. Therefore, much of the federal funding resources associated with ESSA are directed towards these students.

In addition, ESSA provides **additional funding flexibilities** for LEAs and the state to direct resources in ways that make the most sense for their context. Education stakeholders have a **vested interest in ensuring that the state is leveraging these resources strategically and taking advantage of the opportunities** within ESSA to improve the system.

What does ESSA require?

Resources for high-poverty LEAs and schools:

Title I is the largest federal funding resource allocated to schools. It provides funding in a way that benefits the **highest-poverty LEAs and schools** in the state.

There are a variety of rules within ESSA that govern Title I, but the one that has gained the most attention is the **“supplement, not supplant” provision**. Under “supplement, not supplant,” LEAs and schools are required to spend Title I funds to *supplement* and not *supplant* their state and local education spending. These schools are required to get *more* resources than non-Title I schools. Said another way, schools and districts must prove that Title I funding is *in addition to* all state and local funding and does not *replace* any state or local funding. ESSA’s method for **testing compliance** with this requirement is different than prior law and is currently going through a federal rulemaking process, so more information will be forthcoming, but in general, ESSA made an important change to “supplement not supplant,” by **requiring states and LEAs to explain *how* they distribute funds across their**



schools. The previous rule allowed them to comply by showing that **specific purchases** made with Title I money were “extra,” regardless of *how* state and local funds were distributed across schools more broadly.

In Delaware, funds are distributed through a **resource allocation system, commonly referred to as a unit count system.** It does not provide schools or LEAs with a **set amount** of funding for each student; instead, it uses the unit count. In order to allocate funding through the unit count system, LEAs assess student enrollment on September 30th of each school year and report it to the state. This enrollment count is translated into “units” using the current state unit formula (e.g. 16.2 students in grades K-3 equal one unit). The state then provides districts with allocations based on the experience and degrees of the teachers hired.

This system is different from a **foundation system, commonly referred to as a weighted student funding system,** which most other states use. In this system, a foundation, or base amount of money for each student is determined. Weights are then used to allocate **additional** funding for at-risk students, such as for students who are low-income, special education, or English learners. For example, if it is determined that an at-risk student requires 50 percent additional funding to educate effectively then a weight of 1.5 would be used.

In the **ESSA proposed regulations,** the distribution of funds through a weighted student funding system is one way that states and LEAs can illustrate compliance with “supplement, not supplant.” However, these regulations are still under consideration and public comment.

What new opportunities exist?

ESSA consolidates some federal funding streams and provides additional optional flexibilities for how states and LEAs can utilize their allocation of federal funds. Some examples include:

- **Title I weighted student funding pilot** would allow up to 50 LEAs across the country to apply to flexibly combine and spend local, state, and federal funding.
- **Title I Optional Set-Aside for Direct Student Services** (estimated at **\$1.5 million** available for Delaware¹), which allows states to set aside funds for grants to LEAs with the highest concentration of low-performing schools. The funds could be used to pay for services such as academic courses not offered at the student’s school,

¹ <http://www.excelined.org/wp-content/uploads/ExcelinEd-ESSA-Summary-for-State-Policymakers-Updated-February-2016.pdf>

credit recovery, Advanced Placement/college credit-bearing classes, personalized learning, and in some cases, public school choice transportation.

- **Title II Optional Set-Asides:**
 - o **2% for Teacher Preparation “Academies”** to prepare excellent teachers for schools serving high-need students. Operating outside state regulations and colleges of education, academies must focus on clinical preparation and issue credentials only when teachers show an impact on student learning.
 - o **3% for sub grants** to LEAs to establish and implement programs to improve the capacity of principals and other school leaders.
- **Title II flexibilities to support expanded** professional development for teachers and leaders, teacher leadership activities, teacher evaluation supports, and other learning opportunities.
- **Title IV Student Support & Academic Enrichment Grants** which rolls funding for 50+ previously distinct programs into one flexibly allocated grant.
- **Other competitive funding grant opportunities** such as Promise Neighborhood and Full Service Community Schools Grants, Pre-School Development Grants, Charter School Program Grants, Teacher Incentive Fund Grants, and more.

Helpful Links:

Council of Chief State School Officers (CCSSO) Summary of Spending and Fiscal Rules in ESSA:

<http://www.ccsso.org/Documents/Summary%20of%20Significant%20Spending%20and%20Fiscal%20Rules%20in%20ESSA%20-%2003092016.pdf>

USED Fact Sheet on Supplement Not Supplant Proposed Rules:

<https://www.ed.gov/news/press-releases/fact-sheet-supplement-not-supplant-under-title-i-every-student-succeeds-act>

Ed Week Blog on Proposed Spending Rules: http://blogs.edweek.org/edweek/campaign-k-12/2016/08/details_of_draft_essa_spending_rules_emerge.html

Education Trust Fact Sheet on ESSA Funding Rules: <https://edtrust.org/wp-content/uploads/2014/09/What-is-in-ESSA-Funding.pdf>