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ABSTRACT

Chapter 2 of Title I of the Elementary and Secondary Education Act is a formula grant program providing funds for state and local education agencies to improve elementary and secondary education, meet the special educational needs of at-risk/high-cost students, and support innovative school programs. The study describes and evaluates the range of educational improvement activities supported by Chapter 2; documents program administration practices at federal, state, and local levels; highlights program changes since reauthorization in 1988; and discusses policy alternatives leading to program improvement. The report contains extensive case studies of 6 state education agencies (in Vermont, Mississippi, Indiana, Maryland, Colorado, and Texas) and 18 school districts within the 6 study states. A mail survey of all state education agencies and 1,500 school districts was also conducted. Generally, Chapter 2 funds have not spearheaded local/state reforms, but have provided a convenient funding source for already agreed-upon reforms. Although most Chapter 2 states and districts do not target particular groups of students, those that do, serve at-risk/high-cost students. There is no unifying improvement theme. Included are an executive summary, a bibliography of 16 references, and appendices containing regulatory information, the surveys, qualitative analysis codes, local and state Chapter 2 activities, and recommendations for new target areas. (MLH)

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HOW CHAPTER 2 OPERATES AT THE FEDERAL, STATE, AND LOCAL LEVELS

FINAL REPORT

1994

Prepared by:

SRI International
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HOW CHAPTER 2 OPERATES AT THE FEDERAL, STATE, AND LOCAL LEVELS

1994

Prepared by:

**Joan Ruskus
Chris Padilla
Marjorie Wechsler
Lee Anderson
Evelyn Hawkins**

SRI International

EXECUTIVE SUMMARY

Purpose of the Study

Chapter 2 of Title I of the Elementary and Secondary Education Act is a formula grant program designed to support educational improvement. The intent of the Chapter 2 program is to make funds available for state education agencies (SEAs) and local education agencies (LEAs) to improve elementary and secondary education, meet the special educational needs of at-risk/high-cost students, and support innovative school programs.

The overall purpose of this study is to describe the full range of educational improvement activities supported by Chapter 2, including activities that further the nation's progress toward the National Education Goals. The study also documents the manner in which the program is administered at the federal, state, and local levels. The specific study purposes are: (I) to describe activities that are currently supported by Chapter 2 funds and to assess the contribution of Chapter 2 to educational reform; (II) to describe Chapter 2 administrative and decision-making processes, including procedures for monitoring and evaluating program outcomes; and (III) to highlight changes in the Chapter 2 program since its reauthorization in 1988 and to discuss policy alternatives that would lead to program improvement.

Our study methods included extensive case studies of six state education agencies (SEAs) and 18 school districts (LEAs), nested within the six case study states. We conducted a mail survey of all SEAs and 1,500 school districts, which were selected to represent the full range of Chapter 2 allocations and the full range of district size categories. We used both qualitative and quantitative techniques in analyzing the study data.

In this executive summary, we summarize the study findings for each of the three research purposes given above, highlighting central themes in the data. First, however, we provide an overview of the program as it operated in 1991-92. These data will provide a practical basis for understanding study findings and themes. We conclude with policy recommendations emanating from the study findings.

Chapter 2 Operations

The Chapter 2 program is administered by the Chapter 2 program office within School Improvement Programs of the U.S. Department of Education (ED). The Chapter 2 program office retains less than 1 percent of the Chapter 2 grant appropriation to distribute to outlying areas and distributes the rest as Chapter 2 grants to states according to the size of their school-age populations (i.e., ages 5 through 17) (see Figure 1). However, each state is guaranteed a minimum of 0.5 percent of the total amount allocated for states (a minimum of \$2.2 million in 1991-92).

Federal regulations stipulate that at least 80 percent of the state grant be allocated for grants to school districts. Of the 20 percent or less reserved for state use, up to 25 percent may be used for state Chapter 2 program administration and at least 20 percent must be spent to support effective schools programs. The remaining funds may be used for programs related to seven targeted assistance areas.

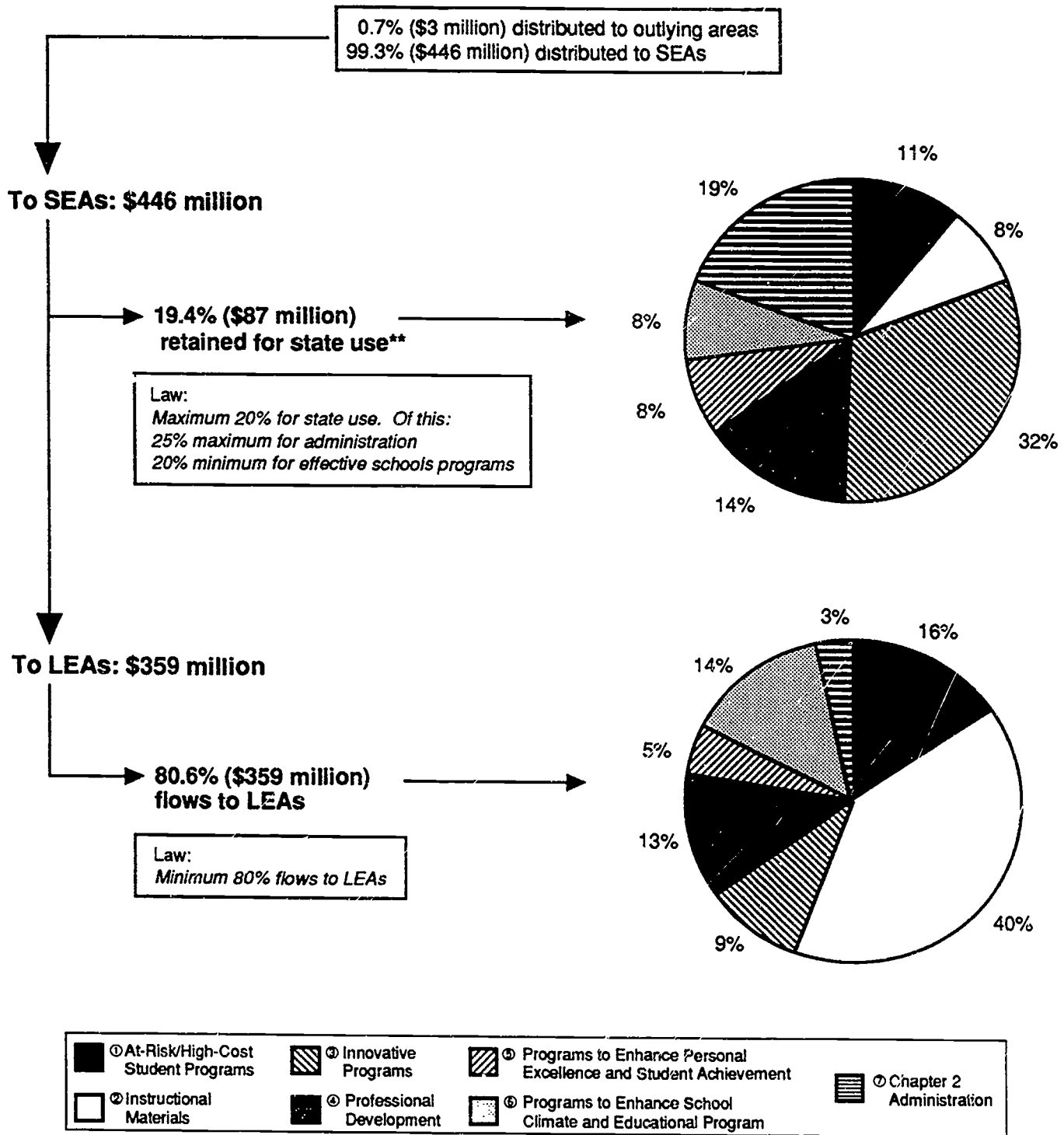
Funds to LEAs are distributed according to their enrollments, with adjustments made by the states to provide higher per-pupil allocations to LEAs that serve the greatest numbers or percentages of children whose education entails a higher-than-average cost.

Since the program's reauthorization in 1988, Chapter 2 allocations have remained somewhat stable, ranging from a high of \$463 million in 1989 to a low of \$415.5 million, which has been proposed by the Clinton administration for 1994. When adjusted for inflation, however, funding has declined by 22.5 percent since the high in 1989. Because allocations are based on the school-age population, the sizes of Chapter 2 grants to states varied widely in 1991-92 (from a minimum of \$2.2 million up to \$49.1 million). Despite the fact that the total Chapter 2 allocation represents a substantial sum, Chapter 2 funds comprise a very small proportion (less than 0.5 percent) of any state's education budget, regardless of the size of its grant award.

In 1991-92, \$446 million in Chapter 2 funds were allocated to SEAs and local school districts. Local agencies received 81 percent of these funds; the rest were retained at the state level. States distributed funds to districts on a formula basis particular to each state. The formula took into account student enrollment (this factor was weighted, on average, 71 percent) and high-cost factors, including concentration of low-income families (weighted, on average, 8 percent), number of students from low-income families (weighted, on average, 16 percent), and population density (weighted, on average, 4 percent).

Grants to States and Outlying Areas*: FY 1991

Total Grants = \$449 Million



*Outlying areas include American Samoa, Guam, Northern Mariana Islands, Palau, and the Virgin Islands.

** SEAs retained between 14% and 20% of Chapter 2 funds for state use. The mean retained for state use was 19.4%. SEAs, on average, distributed 80.6% of Chapter 2 funds to their school districts. Distributions ranged from 80% to 86%.

FIGURE 1 THE CHAPTER 2 PROCESS

The median level of Chapter 2 funds retained for state use was \$1,188,209. More than half of the states elected to allocate a portion of their state funds for discretionary grants to districts (median amount \$52,500), primarily to encourage educational innovation. Across districts of all sizes, the median amount of Chapter 2 funds at the local level was \$8,410. However, the median amount for very large districts (enrollment of 25,000 or more) was \$359,771, while the median amount for small districts (enrollment under 2,500) was just \$5,252.

States allocated the highest percentages of their state Chapter 2 funds to innovative programs (35 percent), including effective schools programs (22 percent), and to Chapter 2 program administration (20 percent). These funding levels met the Chapter 2 requirement that states must allocate at least 20 percent for effective schools programs and no more than 25 percent for administration.

Local agencies, on the other hand, allocated the highest percentage of their funds for programs to acquire and use instructional materials (40 percent), followed by programs to serve students who are at risk or whose education entails higher-than-average costs (16 percent). When districts provided services for private school students, the services also tended to be related to the purchase of instructional resources (e.g., materials and equipment) and computer hardware and software (92 percent of districts).

Summary of Research Findings

Study Purpose I—Activities Supported by Chapter 2 and Degree to Which They Contribute to Educational Improvement

Chapter 2 supports a wide array of activities—programs of professional development, programs using library or other instructional materials, and programs and services for students. As noted in the section above, however, the majority of expenditures at the state level go toward innovative programs, including effective schools programs. Local agencies, on the other hand, tend to concentrate their Chapter 2 expenditures in instructional materials. Other than trends in expenditures, there is no defining characteristic or theme across Chapter 2 activities. Virtually all types of educational programs, activities, positions, and purchases have been funded by Chapter 2.

Chapter 2 supports reform at both the state and local levels. However, in most cases, Chapter 2 funds have not been the impetus for state/local reform; rather, they are used as a convenient source of funding after the agency has committed to the reform

effort. In a similar vein, Chapter 2 activities can be linked to the National Education Goals, but they usually were not specifically designed or funded to do so. The other side of this picture is that, in some cases, Chapter 2 funds activities that are isolated from exciting reform initiatives that are under way in states and districts.

The principal way that Chapter 2 is used to support educational improvement is by funding activities related to local and state priorities. Both the survey data and the case study data substantiate the prevalence of this practice.

Most states and districts do not target Chapter 2 funds to any particular group of students. Of those that do target students, at-risk/high-cost students are typically the recipients of services. However, Chapter 2 activities do not reflect an emphasis on at-risk/high-cost students, particularly at the district level.

Although most uses of Chapter 2 are related in some way to school improvement, we did find that Chapter 2 continues to fund some programs/activities that are not directly related to students, instruction, teaching, or school performance (e.g., local use of Chapter 2 to purchase equipment for general school administrative use, state use of Chapter 2 to develop a teacher database). Such practices were more prevalent at the local level than at the state level.

Study Purpose II—Chapter 2 Administrative and Decision-Making Processes, Including Procedures for Monitoring and Evaluating Program Outcomes

The total allocation for administration by 50 states in 1991-92 was \$14,197,627. As the intermediate organizational unit between ED and school districts within the state, SEAs perform a variety of administrative tasks in conjunction with both types of agencies, including the following: processing local applications, disbursing LEA grants, coordinating SEA programs, monitoring and evaluating state and local projects, operating Chapter 2 state advisory committees, disseminating state and federal guidelines, providing technical assistance on regulations and educational programs, conducting on-site reviews and visits, and organizing periodic meetings for local Chapter 2 personnel.

On average, only 7 percent to 8 percent of a district's Chapter 2 allocation supports administrative costs. The proportion of funds is low because only 12 percent of districts that receive Chapter 2 funds charge for the administration of the program, and most of these districts are very large. The administrative requirements placed on school districts by

the Chapter 2 legislation are broadly stated and minimal relative to other federally supported programs: applying for funds, accounting for expenditures, reporting to the SEA, and administering services for private school students.

Chapter 2 decision-making authority at the state level is vested in the hands of only a few individuals at fairly high levels of state education bureaucracies. This fact tends to minimize the decision-making influence of Chapter 2 administrators and state advisory committees (SACs). Moreover, there usually is no relationship between Chapter 2 decision making and program administration at the SEA level. In cases where Chapter 2 is directed by a highly placed coordinator, administrative participation in decision making is greater. Although input from SACs is acknowledged by SEA staff, it appears to be widely understood that most states expect and enforce a strictly advisory role for SACs.

The process employed by local school districts to determine how Chapter 2 funds should be used did not follow any set pattern. Some districts treat decisions about their Chapter 2 program as completely separate from the customary district decision-making process; other districts fold decisions about Chapter 2 into their regular decision-making process because Chapter 2 is viewed as a funding source to support district priorities.

In terms of evaluation, The Hawkins-Stafford Amendments of 1988 mandated two reporting requirements of SEAs: an annual report on state and local Chapter 2 allocations and a state self-evaluation of the effectiveness of state and local Chapter 2 programs. In addition to routine monitoring and review of applications, the federal government uses the two mandated reports to ensure accountability. The annual report includes information on the types of services provided, the funds budgeted for these services, and the children being served. The SEAs were given wide latitude on how to conduct the self-evaluation of effectiveness. Consequently, the evaluations differed in focus, methodology, and quality. Further, because SEAs could select which programs to evaluate and which data to report, the self-evaluations tended to be positively biased.

We found that SEAs tend to minimize accountability requirements. The accountability strategies used most often by SEAs for local Chapter 2 programs include review of LEA applications, review of LEA evaluations, and review of other LEA documentation. Fewer than half of the SEAs indicated that they conduct yearly evaluation studies. SEAs also monitor and evaluate Chapter 2-funded activities at the state level. In some states, the monitoring and evaluation is part of what the SEA does on a routine basis

for any program; in others, it consists of a specific evaluation of the state Chapter 2 program or components of the program.

Local accountability mechanisms are influenced largely by SEA accountability requirements that focus on assessing compliance with federal and state regulations and on fiscal accountability. Minimal evaluation requirements translate into a wide variety of evaluation activities at the local level or no evaluation activities at all (in nearly one-fourth of districts). Of those LEAs that conduct evaluations, most collect informal feedback or anecdotal evidence on program outcomes.

A ubiquitous problem across Chapter 2 programs is the lack of good evaluations. This was documented at the state level in our review of the state self-evaluations of effectiveness (*Summary of Chapter 2 State Self-Evaluations of Effectiveness*, Hawkins, Ruskus, and Wechsler, May 1993).

Study Purpose III—Changes in the Chapter 2 Program Since Its Reauthorization in 1988

Although new Chapter 2 regulations are implemented faithfully, mandates from the federal government have not significantly changed the Chapter 2 program. The target areas have not served their intended purpose of focusing Chapter 2 on educational improvement because of their broad, vague, and overlapping nature. The limitations of the target areas were manifest in several ways: similar activities were appropriately classified under different target areas, activities were classified in one target area one year and a different target area the next year, activities were inappropriately classified, and state or local policies limited the use of target areas. Although the target areas did spark ideas in some districts, more often they did not function in any way as a guiding factor for districts in deciding how to spend their Chapter 2 funds.

Similar to the target areas, the effective schools set-aside has not been the cornerstone of state reform. In most cases, the set-aside has not been the catalyst for state support of effective schools; rather, more often, it has supported reform efforts already under way or already planned by the states. Furthermore, the Chapter 2 legislation is very specific in defining effective schools according to the correlate-driven model; however, very few SEA Chapter 2 effective schools programs reflect that model. Most states have redefined "effective schools" in their own terms that focus on alternative initiatives of restructuring and systemic reform. Thus, to some extent, the set-aside has supported

educational reform, but it could also be said that it has hindered it in perpetuating an outmoded notion of reform.

There have been some changes in Chapter 2 program operations and expenditures since the 1988 reauthorization. Data from the first national study of Chapter 2 implementation indicate that expenditures for instructional materials during the 1984-85 school year were the most frequently supported area at the local level (59 percent of funds). In 1991-92, LEAs still spent the bulk of their Chapter 2 funds on instructional materials, but to a lesser extent (40 percent), and there is some indication from our case studies that current expenditures for materials and equipment may be more closely tied to instructional programs than they were before the reauthorization.

In general, we found that changes in participation rates and allocations for services to private school students under the Hawkins-Stafford Amendments were minimal compared with changes that occurred when the original block grant was initiated. Two reasons may account for this difference: (1) the perceptions of flexibility in the law did not change as they had earlier when the block grant (ECIA) was first passed, and (2) private schools that had chosen to participate in the past saw no reason not to continue to participate. The extent to which districts provide services to private school students tends to be a function of long-standing relationships between districts and private schools that have remained cordial over the years. Various aspects of the state context, as well, can set the tone for the involvement of private school children.

Recommendations

Considering the full range of our Chapter 2 study data and ED's current focus on coordinating federal programs to move the nation toward the National Education Goals, we recommend that ED consider the following alternatives as strategies to bring Chapter 2 into the mainstream of the reform effort:

- (1) Eliminate the targeted assistance areas.
- (2) Focus both state and local Chapter 2 funds on educational reform initiatives and/or educational priorities.
- (3) Eliminate materials and equipment as allowable expenditures unless they can be directly related to an educational reform initiative or a state or district educational priority.

- (4) Require that locals concentrate Chapter 2 funds on one specific activity or program relating to reform or an educational priority in order to maximize the chance that the funds will make a difference.
- (5) Encourage minigrants because they promote site-based decision making; they provide teachers with the opportunity to try new roles; and they discourage rote funding of the same activities from year to year.
- (6) Require that all Chapter 2-funded activities be evaluated in a manner appropriate to the activity.
- (7) Maintain the supplement-not-supplant requirement because the provision protects Chapter 2 funds from general use, but revise it to allow funding of mandated school improvement and reform.

In conclusion, Chapter 2 does appear to support educational improvement in a variety of ways, although, as noted above, there is no unifying theme across these activities. As the program is now structured, it supports educational reform to a limited extent, but it does not generally play a leadership role in reform. If implemented, the recommendations made above would do much to strengthen the program's role in educational reform. It appears that if Chapter 2 funds were no longer available, the main effect for both states and locals would be to lose a flexible source of federal funds, funds that have allowed them to pursue their own educational priorities when other resources were unavailable.

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1 INTRODUCTION

Purpose of the Study

Chapter 2 of Title I of the Elementary and Secondary Education Act is a formula grant program designed to support educational improvement. The intent of the Chapter 2 program is to make funds available for state education agencies (SEAs) and local education agencies (LEAs) to improve elementary and secondary education, meet the special educational needs of at-risk/high-cost students, and support innovative school programs.

The overall purpose of this study is to describe the full range of educational improvement activities supported by Chapter 2, including activities that further the nation's progress toward the National Education Goals. The study also documents the manner in which the program is administered at the federal, state, and local levels. The specific study purposes are: (I) to describe activities that are currently supported by Chapter 2 funds and to assess the contribution of Chapter 2 to educational improvement; (II) to describe Chapter 2 administrative and decision-making processes, including procedures for monitoring and evaluating program outcomes; and (III) to highlight changes in the Chapter 2 program since its reauthorization in 1988 and to discuss policy alternatives that would lead to program improvement. At the request of the U.S. Department of Education (ED), the study was further focused on the role of Chapter 2 in supporting educational reform.

Information from this study will inform ED as it develops a more effective federal strategy for leading the nation toward educational reform and will provide information to Congress for the upcoming reauthorization of Chapter 2.

The study was designed to address the 16 research questions shown in Exhibit 1-1.

Exhibit 1-1

MATRIX OF RESEARCH QUESTIONS AND REPORT SECTION IN WHICH THEY ARE ADDRESSED

Research Questions	Section in Report						
	1	2	3	4	5	6	7
Study Purpose I: To describe activities that are currently supported by Chapter 2 funds and to assess the contribution of Chapter 2 to educational improvement.							
1. What kinds of activities are being supported with state and local Chapter 2 funds? How do Chapter 2 activities relate to the National Goals and how does Chapter 2 contribute to systemic educational reform?	✓	✓	✓			✓	✓
2. What is the impact of Chapter 2 in SEAs and LEAs? Are Chapter 2 funds being used to support the top educational priorities of SEAs and LEAs? What would be the effect of the absence of Chapter 2?		✓				✓	✓
3. What is the effect of the "supplement-not-supplant" provision of Chapter 2 on state and local programs? What educational reform and improvement activities might Chapter 2 support if supplement-not-supplant were eliminated?			✓				✓
4. How do Chapter 2-supported activities relate to the target areas? What are the national expenditures by target area? Do the targeted assistance areas provide needed direction for program activities or do they overly constrain the use of Chapter 2 funds for educational improvement?	✓		✓				✓
5. To what extent are Chapter 2 funds used for innovation or as seed money? To what extent are Chapter 2 funds supporting pilot projects that other funds later support and/or expand? To what extent are Chapter 2 funds used to support activities on a continuing basis?		✓			✓		✓
6. What kinds of state administration activities are being supported with Chapter 2 funds? What are the national expenditures for state administration of Chapter 2?	✓			✓			✓
7. What kinds of technical assistance activities are being supported by Chapter 2 funds? What are the national expenditures for Chapter 2-supported technical assistance?				✓	✓		✓
8. To what extent do SEAs and LEAs target specific groups of students and specific schools for Chapter 2 resources? Do Chapter 2 activities focus on at-risk or "high-cost" students? Are these services coordinated with other programs (e.g., Chapter 1) that are designed for these students?		✓			✓		✓

Exhibit 1-1 (Concluded)

Research Questions	Section in Report						
	1	2	3	4	5	6	7
Study Purpose II: To describe Chapter 2 administrative and decision-making processes, including procedures for monitoring and evaluating program outcomes.							
9. How is Chapter 2 accountability ensured at the federal, state, and local levels? What types of monitoring/evaluation activities occur and what outcomes are examined?			✓	✓	✓	✓	✓
10. What guidance does the federal government give to SEAs and LEAs in interpreting and implementing Chapter 2 program requirements, including nonregulatory guidance? How do SEAs and LEAs evaluate federal support/guidance?			✓				✓
11. To what extent do SEAs provide direction and leadership to LEAs regarding Chapter 2? How do states administer the Chapter 2 program with respect to distribution formulas, LEA application, and technical assistance?				✓			✓
12. What administrative activities are conducted at the LEA level? How much does it cost to administer Chapter 2 at the local level?					✓		✓
13. What is the decision-making process for use of Chapter 2 funds at the SEA and LEA levels? Who is involved at each level and to what extent do SEA decisions affect LEAs? What is the function of the Chapter 2 State Advisory Committee?				✓	✓		✓
Study Purpose III: To highlight changes in the Chapter 2 program since its reauthorization in 1988 and to discuss policy alternatives that would lead to program improvement.							
14. What kinds of activities/projects are going on now compared with those under ECIA? What percentages of Chapter 2 funds are used by SEAs and LEAs for different types of activity?	✓				✓	✓	✓
15. What effect did reauthorization have on services to private school students compared with services under ECIA, especially regarding the purchase of equipment? Has the participation rate among private school students changed since reauthorization?			✓			✓	✓
16. How can the Chapter 2 program be improved at the federal, state, and local levels?							✓

History and Intent of Chapter 2

The Block Grant

Chapter 2 began as a block grant that consolidated more than 40¹ former categorical programs (e.g., School Library Resources, Emergency School Aid Act, Strengthening State Agencies). It was signed into law in 1981 with the passage of the Education Consolidation and Improvement Act (ECIA), part of P.L. 97-35. Although the federal government had been funding block grants since 1966, Chapter 2 represented the first block grant for educational programs (Henderson, 1985).

In general, block grants are awarded to state and local governments for use in providing services and programs in broad programmatic areas such as health care, social services, and education. Block grant recipients are allowed broad discretion in deciding exactly what services or programs to fund, as long as these services or programs support the overall purposes of the block grant (U.S. General Accounting Office, 1992). The block grant concept embodied a different set of assumptions and priorities about federal education policy from those contained in most categorical education programs. The principal elements of change included the following: (1) less local programmatic direction from the federal and state levels than before; (2) an enhanced role for local education agencies in determining how educational program resources should be used; and (3) wider distribution of program benefits (including to private school students).

Block grants also have the advantage of minimized administrative and fiscal requirements (Henderson, 1985). Before the consolidation, each of the antecedent programs required a separate application, and each had its own funding mechanisms, regulations, timetables, and guidelines. With the establishment of the block grant, the mechanism for distributing funds shifted dramatically, from competitive grant proposals for each of the programs to a formula allocation basis. Furthermore, funds that were available for specific, narrow purposes could be targeted to the broader needs of individual local districts. Each of the antecedent programs was preserved as an area of allowable expenditure, but state and local education agencies were given significant discretion in the use of Chapter 2 funds to improve education in their jurisdictions. This flexibility has become the hallmark of Chapter 2.

¹ The actual number of programs consolidated into the block grant depends on whether one considers all separate authorizations as one program (e.g., the Emergency School Aid Act comprises four such subparts) or as part of another program.

Although the block grant benefited local districts by transferring power to the local level and decreasing administrative burdens, it also carried financial drawbacks. Budgetary cutbacks that accompanied consolidation were rarely accounted for by reduced overhead costs (Henderson, 1985). The block grant concept, promoted by President Reagan in the 1980s, was a strategic tool in the President's "Program for Economic Recovery." The result was a reduction of federal aid for education. Between 1980, the year prior to the consolidation of the programs, and 1982, the first year of implementation of the consolidated block grant, funding was reduced by 37.5 percent, or \$282 million (Verstegen, 1984).

The consolidation thus raised new possibilities and questions about the future direction of federal education policy. Over time, the debate about the block grant concept has evolved from concern about the fate of prior policies to concern over the contribution of Chapter 2 to educational improvement.

Achievements of Chapter 2

The first national study of Chapter 2 (Knapp and Blakely, 1986), also conducted by SRI International, took place during the third year of implementation (the 1984-85 school year). The study provided a comprehensive description of activities and effects at the local level to inform those who administer the law and to provide information for reauthorization purposes. At that time, the resources provided by Chapter 2 to districts were very modest: between \$7.00 and \$9.00 per pupil, on average. This figure could vary to about twice or as little as half this amount, depending on the presence or absence of "high-cost" factors in each state formula. Approximately three-fifths of all districts received less than \$10,000 annually.

The most prevalent uses of the block grant were for computer applications and support for libraries and media centers (in approximately three-quarters and two-thirds of all districts, respectively), followed by curriculum or new program development and staff development (each in approximately a quarter of all districts), and finally by instructional services or student support services (each in about one-sixth of the nation's school districts). At the other extreme, only a small percentage of districts put Chapter 2 funds into uses, such as administration, that are unrelated to instruction or instructional support.

In 1984-85, the larger the district (and, hence, the more dollars to work with), the more diversified the activities funded by a district. Smaller districts tended to concentrate their block grant resources in only one or two areas.

Districts were equally likely to devote the funding to elementary, junior high/middle, and senior high school levels. Although activities were often targeted to particular types of students, no one group predominated across all districts. For all types of activities supported by the block grant, a majority of districts indicated that the activities served all types of students.

The absolute amount of money received under Chapter 2, commitments to previous program staff or purposes, and local educational priorities were the driving forces behind expenditure decisions. Neither state reform priorities and mandates nor national reform recommendations appeared to have had a major influence on expenditure decisions. However, Chapter 2 funds have frequently been used to address certain widely held improvement priorities: increasing instruction in mathematics or computer literacy, and developing programs based on effective schools research.

The 1988 Reauthorization

In 1988, the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (P.L. 100-297) reauthorized Chapter 2 by amending the Elementary and Secondary Education Act of 1965 (see Appendix A). In partial response to concerns over a lack of program focus and use of funds for activities not directly related to students, the revised statute defined the purpose of Chapter 2 in terms that underscored instructional improvement—"promising educational programs," "innovation and educational improvement," "meeting the needs of at risk and high cost students," and "enhancing the quality of teaching and learning through initiating and expanding effective schools programs." The legislatively mandated purposes of Chapter 2 are as follows:

- (1) To provide the initial funding to enable state and local educational agencies to implement promising educational programs that can be supported by state and local sources of funding after such programs are demonstrated to be effective.
- (2) To provide a continuing source of innovation, educational improvement, and support for library and instructional materials.
- (3) To meet the special educational needs of at-risk and high-cost students.
- (4) To enhance the quality of teaching and learning through initiating and expanding effective schools programs.
- (5) To allow state and local educational agencies to meet their educational needs and priorities for targeted assistance.

In a more directive way, the statute specified six allowable uses or targeted assistance areas for Chapter 2 funds; it required states to set aside a portion of their funds for effective schools programs; it limited state expenditures for Chapter 2 administration; and it established two new reporting requirements—an annual report of Chapter 2 allocations and a state self-evaluation of effectiveness.

Probably the most critical innovation in the Hawkins-Stafford Amendments was the introduction of targeted assistance areas, which were intended to focus Chapter 2 programs on educational improvement. The six targeted assistance areas and examples of each are as follows:

- (1) Programs to meet the educational needs of students at risk of failure in school; students at risk of dropping out of school; and students for whom providing an education entails higher-than-average costs.
 - Chapter 2 expenditures in one district supported the Community Mentorship Program, a dropout prevention program. The Community Mentorship Program matched community volunteers with students identified as potential dropouts. The mentors worked individually with students from grades kindergarten through junior college on educational, vocational, and recreational activities.
- (2) Programs for the acquisition and use of instructional and educational materials, including library books, reference materials, computer software and hardware for instructional use, and other curricular materials that would be used to improve the quality of instruction.
 - Another district used Chapter 2 funds to support reading programs designed to increase students' interest in recreational reading and consequently their reading comprehension. Students in grades K-2 participated in "Books and Beyond." For each 15 books a student read to his or her parents, or vice versa, the student moved along a course of eight thematic stations. Students in grades 3-12 participated in the Accelerated Reading program. In this program, students read books from a special book list and subsequently took a computerized test about each book. The computer kept records about the number of test questions a student answered correctly.
- (3) Innovative programs designed to carry out schoolwide improvements, including the effective schools program.
 - One state used Chapter 2 to fund staff in the performance-based accreditation section of the SEA who provide technical assistance to schools that are going through the accreditation process and need help

with the effective schools correlates on which the accreditation is based. Chapter 2 activities involve planning and conducting professional development and training activities, promoting awareness of effective schools research and model effective schools programs, and developing and disseminating educational materials related to effective schools programs.

- (4) Programs of training and professional development to enhance the knowledge and skills of educational personnel, including teachers, librarians, school counselors and other pupil services personnel, and administrators and school board members.
 - Another district supported two projects. One is a training program consisting of a workshop and coaching for teachers and administrators to increase their knowledge and expertise in the development, administration, and interpretation of performance-based student assessments. The other is a program to develop a resource bank of potential staff development trainers by offering them specialized training in content areas.
- (5) Programs designed to enhance personal excellence of students and student achievement, including instruction in ethics, performing and creative arts, humanities, activities in physical fitness and comprehensive health education, and participation in community service projects.
 - One district hired professional mariachi musicians to teach an elective class in the district's middle and high schools. Students met during the regular school day two or three times per week and learned to play mariachi instruments.
- (6) Innovative projects to enhance the educational program and climate of the school, including programs for gifted and talented students, technology education programs, early childhood education programs, community education, and programs for youth suicide prevention.
 - Another district funded a gifted and talented magnet program serving the top 2 percent of students from all 27 of the county's public elementary schools. (Private school students were also eligible, but they were required to enroll in the public school system.) The magnet program used the same curriculum as the regular system but proceeded through it at a faster rate and offered supplementary enrichment activities developed by the teachers just for the gifted students.

Recently, a seventh targeted assistance area to promote literacy has been added to the original six: training programs to enhance the ability of teachers and school counselors to identify, particularly in the early grades, students who may be at risk of illiteracy in their

adult years. This addition brings the target areas more in line with the National Education Goals.²

Within each target area, SEAs and LEAs are permitted flexibility in designing their programs and determining how best to meet their individual needs and educational priorities. However, federal regulations make it clear that Chapter 2 funds must support targeted assistance programs that are intended to enhance educational instruction or ultimately to improve student achievement. For example, except to purchase computer hardware for instructional purposes, Chapter 2 funds may not be used to purchase equipment unless it is used as part of a targeted assistance program having an instructional purpose.

As mentioned earlier, the 1988 Hawkins-Stafford Amendments specified that SEAs must use at least 20 percent of state program funds for effective schools programs. The legislation defines effective schools programs as school-based programs ranging from preschool through secondary school, whose objectives are to: (1) promote school-level planning, instructional improvement, and staff development; (2) increase the academic achievement levels of all children and particularly educationally deprived children; and (3) achieve as ongoing school conditions the factors identified by effective schools research as characterizing schools that are effective. The legislation defines effective schools as those that meet all of the following conditions:

- Strong and effective administrative and instructional leadership that creates consensus on instructional goals and organizational capacity for instructional problem solving.
- Emphasis on the acquisition of basic and higher-order skills.
- A safe and orderly school environment that allows teachers and pupils to focus their energies on academic achievement.
- A climate of expectation that virtually all children can learn under appropriate conditions.
- Continuous assessment of students and programs to evaluate the effects of instruction.

States that already spend twice the amount required for the effective schools set-aside on such activities from nonfederal funds can request a waiver from the U.S.

² The seventh targeted area was not in effect for the target time frame of this study (i.e., 1991-92).

Secretary of Education from the effective schools requirement. In 1991-92, eight states (Alaska, California, Connecticut, Michigan, Minnesota, Ohio, Rhode Island, Wisconsin) received a waiver from this provision.

The Hawkins-Stafford Amendments also established two reporting requirements. In response to criticism of insufficient accountability in the Chapter 2 program, Congress mandated that SEAs complete an annual report on state and local Chapter 2 allocations and a self-evaluation of the effectiveness of state and local Chapter 2 programs. The annual report includes information on the types of services provided, the funds budgeted for those services, and the children being served.

The self-evaluations of effectiveness (for 1990-91) were submitted by SEAs in March 1992. SEAs were given wide latitude on the scope of the evaluations and the way these evaluations were to be conducted.

Chapter 2 Today

Overview of the Program

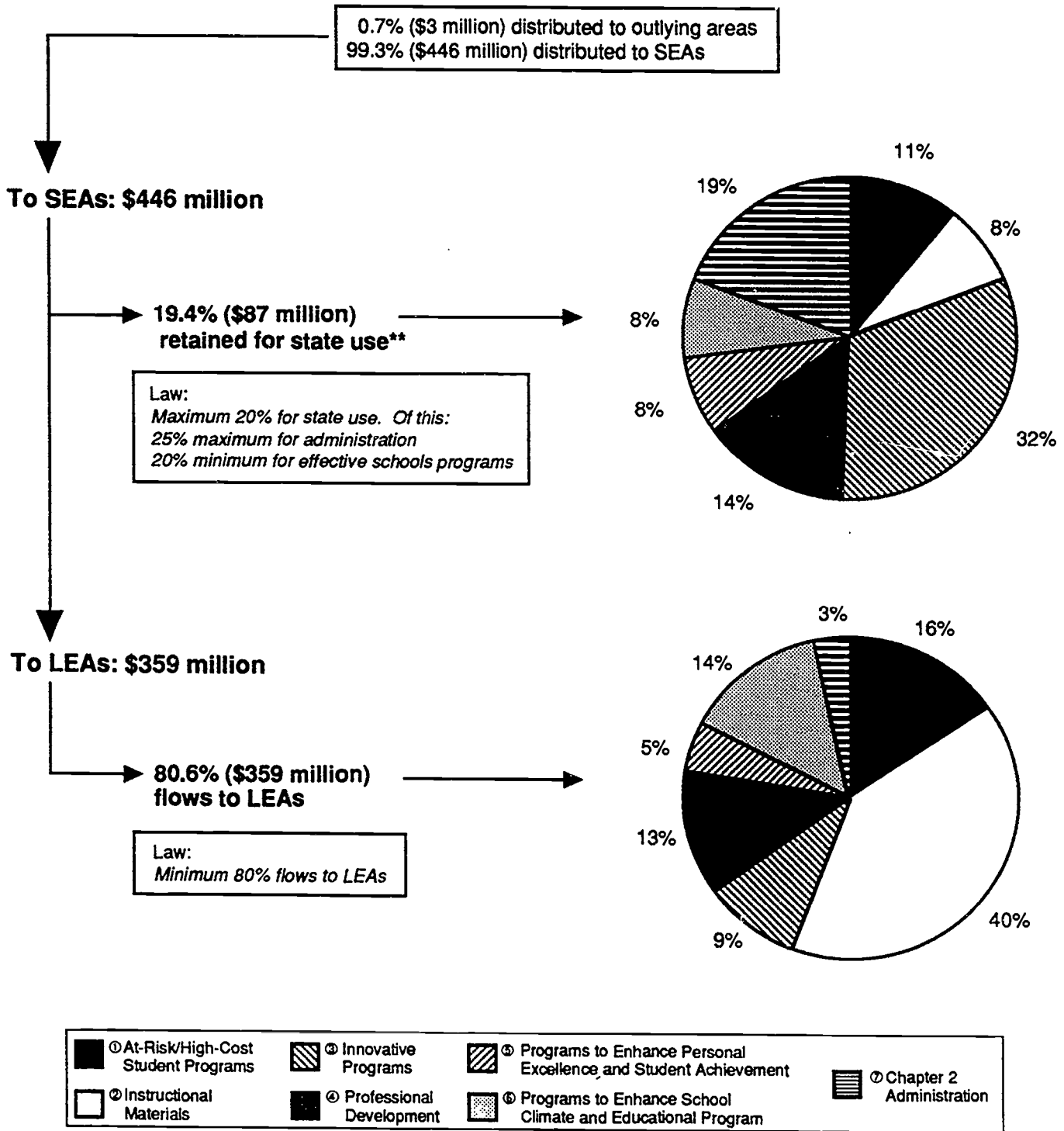
The Chapter 2 program is administered by the Chapter 2 program office in the School Improvement Programs of ED. The Chapter 2 program office retains less than 1 percent of the Chapter 2 grant appropriation to distribute to outlying areas and then distributes Chapter 2 grants to states according to the size of their school-age populations (i.e., ages 5 through 17) (see Figure 1-1). However, each state is guaranteed a minimum of 0.5 percent of the total amount allocated for states (a minimum of \$2.2 million in 1991-92) (Birgensmith and Chelemer, 1991).

Federal law stipulates that at least 80 percent of the state grant be allocated for grants to school districts. Of the 20 percent or less reserved for state use, up to 25 percent may be used for state Chapter 2 program administration and at least 20 percent must be spent to support effective schools programs. The remaining funds may be used for programs and technical assistance related to the seven targeted assistance areas.

To receive funds, the SEA must consult with a state advisory committee on the allocation of funds among the target areas; the formula for the allocation of funds to LEAs; and the planning, development, support, implementation, and evaluation of state Chapter 2 programs. The SEA must also submit an application to the U.S. Secretary of Education

Grants to States and Outlying Areas*: FY 1991

Total Grants = \$449 Million



*Outlying areas include American Samoa, Guam, Northern Mariana Islands, Palau, and the Virgin Islands.

**SEAs retained between 14% and 20% of Chapter 2 funds for state use. The mean retained for state use was 19.4%. SEAs, on average, distributed 80.6% of Chapter 2 funds to their school districts. Distributions ranged from 80% to 86%.

FIGURE 1-1 THE CHAPTER 2 PROCESS

every three years, and make annual amendments or file a new application if the SEA makes substantial changes in its program.

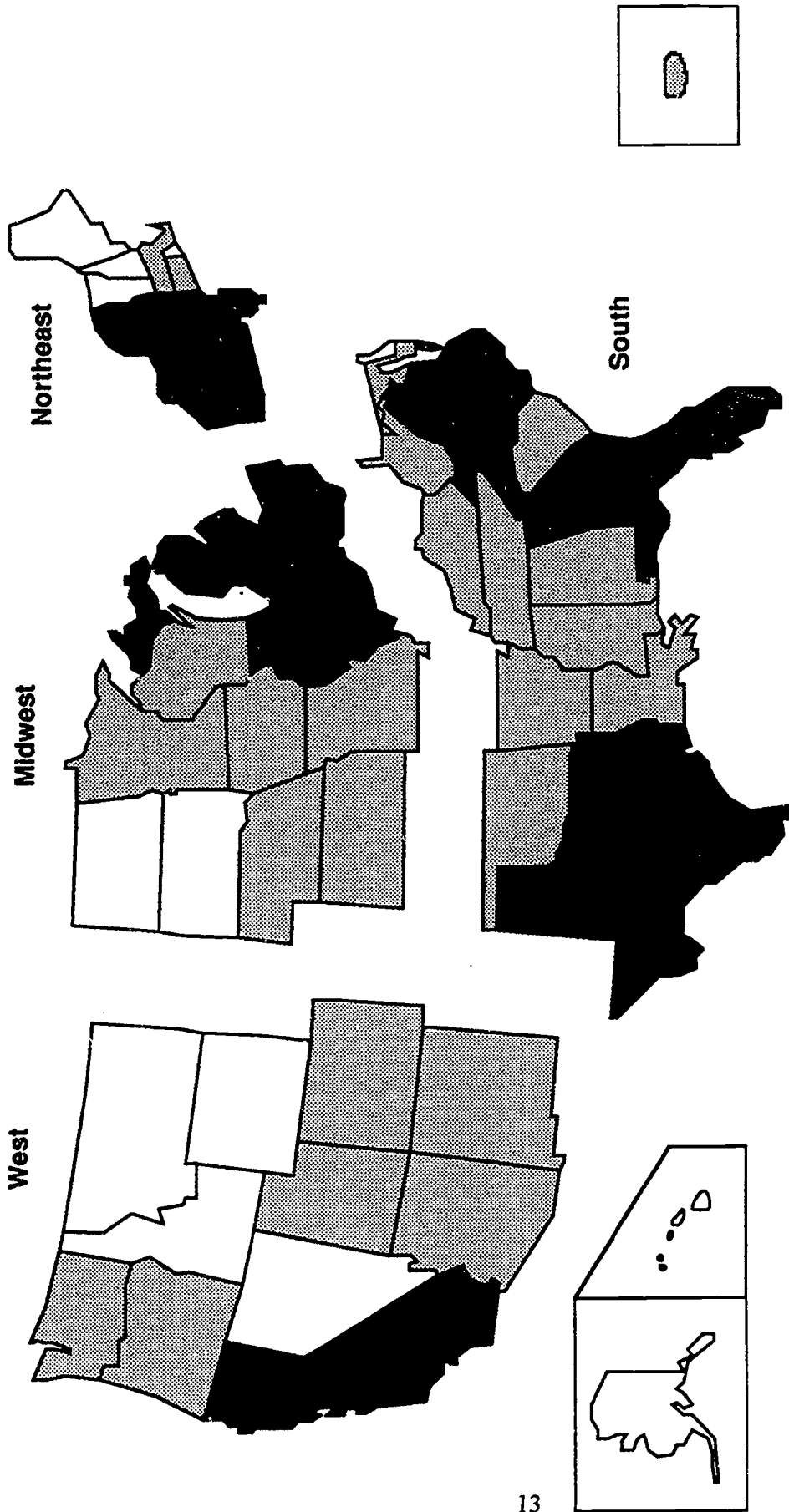
Funds to LEAs are distributed according to their enrollments, with adjustments made to provide higher per-pupil allocations to LEAs that serve the greatest numbers or percentages of children whose education entails a higher-than-average cost. To receive funds, LEAs must submit an application to the SEA every three years, making annual amendments as needed. The application must certify that LEAs consulted with parents, teachers, administrators, and others about the allocation of funds. The LEA must also consult with officials from private schools in their attendance area to determine whether those officials want their children to participate in Chapter 2 and to receive their input in the development and implementation of the Chapter 2 program.

Overview of Activities and Expenditures

Since its reauthorization in 1988, Chapter 2 allocations have remained somewhat stable, ranging from a high of \$463 million in 1989 to a low of \$415.5 million, which has been proposed by the Clinton administration for 1994. When adjusted for inflation, however, funding has declined by 22.5 percent since the high in 1989. According to the 1991-92 state annual reports, Chapter 2 funds were distributed across the country roughly in proportion to regional enrollment patterns (see Figure 1-2) (Padilla and Williamson, 1993).

Because allocations are based on the school-age population, the sizes of Chapter 2 grants to states varied widely (from a minimum of \$2.2 million up to \$49.1 million). Despite the fact that the total Chapter 2 allocation represents a substantial sum (\$452.3 million in 1991-92), Chapter 2 funds comprise a very small proportion (less than 0.5 percent) of any state's education budget, regardless of the size of its grant award (see Table 1-1).

In 1991-92, \$446 million in Chapter 2 funds were allocated to SEAs and local school districts. Local agencies received 81 percent of these funds; the rest were retained at the state level. States distributed funds to districts on a formula basis. The formula took into account student enrollment (this factor was weighted, on average, 71 percent) and high-cost factors, including concentration of low-income families (weighted, on average, 8 percent),



	Number	Total Allocations
Small: \$2.2 million	14	\$ 31,186,190
Medium: \$2.8 to \$9 million	25	\$155,467,791
Large: \$9.7 to \$20 million	10	\$148,467,211
Very Large: More than \$28 million	3	\$110,395,804

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FIGURE 1-2 1991-92 ALLOCATION OF CHAPTER 2 FUNDS TO STATES, BY GRANT SIZE

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Table 1-1

CHAPTER 2 AS A PROPORTION OF STATE EDUCATION BUDGETS

Size of State Chapter 2 Grant	Number of States	Mean Percentage of State Education Budget*
Small (\$2.2 million)	14	0.30
Medium (\$2.8 - \$9 million)	25	0.25
Large (\$9.7 - \$20 million)	10	0.20
Very large (more than \$28 million)	3	0.19

* Data on state education budgets taken from *Digest of Education Statistics, 1992*, National Center for Education Statistics.

number of students from low-income families (weighted, on average, 16 percent), and population density (weighted, on average, 4 percent).³

The median level of Chapter 2 funds retained for state use was \$1,188,209 (that is, half retained more, half retained less). More than half of the states elected to allocate a portion of their state funds for discretionary grants to districts (median amount \$52,500), primarily to encourage educational innovation. Across districts of all sizes, the median amount of Chapter 2 funds at the local level was \$8,410 (see Table 1-2a). However, the median amount for very large districts (enrollment of 25,000 or more) was \$359,771, while the median amount for small districts (enrollment under 2,500) was just \$5,252. In 1984-85, the median amount of local Chapter 2 funds for districts of all sizes was slightly lower than in 1991-92, at \$6,422 (see Table 1-2b). However, the median amount for very large districts was even higher than in 1991-92, at \$399,709. (We are not able to compare median grants for small districts because of differences in enrollment breakdowns for the two years of data collection.)

States allocated the highest percentages of their SEA Chapter 2 funds to innovative programs (35 percent), including effective schools programs (22 percent), and to Chapter 2 program administration (20 percent) (see Table 1-3). These funding levels met the Chapter 2 requirement that states must allocate at least 20 percent for effective schools programs and no more than 25 percent for administration.

Local agencies, on the other hand, allocated the highest percentage of their funds for programs to acquire and use instructional materials (40 percent), followed by programs to serve students who are at risk or whose education entails higher-than-average costs (16 percent) (see Table 1-4). More than two-thirds of districts that used Chapter 2 funds for computer hardware and software reported using the equipment for instructional purposes. Fewer than 5 percent of all districts used their Chapter 2-funded equipment purchases for activities not directly related to students. When districts provided services for private school students, the services also tended to be related to the purchase of instructional resources (e.g., materials and equipment) and computer hardware and software (92 percent of districts).

Public school allocations for materials acquisitions decreased somewhat from 1984-85 to 1991-92 (see Table 1-5). In 1984-85, public schools allocated 30 percent of

³ Adjustments can be made only for LEAs that serve the "greatest numbers or percentages" of these categories of students (P.L. 100-297, Section 1512 (b) (2) (A)).

Table 1-2a

LOCAL CHAPTER 2 FUNDING FOR 1991-92

District Size	Average Level of Chapter 2 Funds					
	State Formula Funds		Additional Discretionary Funds		Total Allocation*	
	Mean	Median	Mean	Median	Mean	Median
All districts	\$27,578	\$8,410	\$425	\$0	\$27,949	\$8,410
Very large (25,000 or more)	695,883	359,694	4,510	0	700,392	359,771
Large (10,000 to 24,999)	120,640	106,086	2,538	0	123,114	107,296
Medium (2,500 to 9,999)	35,666	28,908	576	0	36,242	29,161
Small (less than 2,500)	7,354	5,252	195	0	7,581	5,252

Note: All district data presented in this report are weighted to adjust for the disproportionate sampling and missing cases.

*Total equals formula plus discretionary funds.

Source: Items 1 and 2, district survey.

Table 1-2b

AVERAGE FORMULA AND TOTAL CHAPTER 2 FUNDING IN 1984-85

District Size	Median State Formula Funds	Median Total Funds*
All districts	\$6,422	\$6,422
Very large (25,000 or more)	\$397,587	\$399,709
Large (10,000 to 24,999)	104,000	107,212
Medium (2,500 to 9,999)	29,602	29,823
Small (600 to 2,499)	9,000	9,000
Very small (less than 600)	2,036	2,036

*Total equals formula plus discretionary funds.

Source: Knapp and Blakely (1986).

Table 1-3
SEA CHAPTER 2 ALLOCATIONS TO TARGET AREAS IN 1991-92
(n = 50)*

Target Area	Mean Allocation†	Percent of Total Allocation	Median Allocation†
1. Programs to serve students at risk or whose education entails higher-than-average cost	\$154,713	10.9	\$27,942
2. Programs to acquire and use:			
Library materials	34,948	2.5	0
Computer software/hardware	28,239	2.0	0
Other instructional/educational materials	35,937	2.5	0
3. Innovative programs:			
Schoolwide improvement	192,341	13.5	25,820
Effective schools programs	309,198	21.8	241,422
4. Programs of training and professional development	164,107	11.6	80,651
5. Programs to enhance personal excellence and student achievement:			
Ethics	997	0.1	0
Performing and creative arts	21,057	1.5	0
Humanities	15,023	1.1	0
Physical fitness	5,500	0.4	0
Comprehensive health education	12,160	0.8	0
Community service	6,166	0.4	0
Other	30,573	2.1	0
6. Programs to enhance school climate and educational programs:			
Gifted and talented programs	22,684	1.6	0
Technology education	44,092	3.1	0
Early childhood education	16,958	1.2	0
Community education	8,324	0.6	0
Youth suicide prevention	1,159	0.1	0
Other	30,668	2.2	0
7. Administration of the Chapter 2 program	283,953	20.0	168,388
Total 1991-92 Chapter 2 Allocation	\$1,418,797	100.0	\$969,526

*Allocations for California and Indiana are excluded from this table because those states could not provide within-target-area breakdowns. For this reason, percents of total allocation may not correspond to percents shown in Figure 1-1.

† Excludes funds used for discretionary grants, but includes carryover funds.

Source: Item 6, state survey.

Table 1-4

LEA CHAPTER 2 PUBLIC SCHOOL ALLOCATIONS TO TARGET AREAS IN 1991-92

Target Area	All Districts			Districts by Size		
	Mean Allocation	Percent of Total Allocation	Percent of Total Allocation	Very Large		Large
				Mean Allocation	Percent of Total Allocation	
1. Programs to serve students at risk or whose education entails higher-than-average cost	\$4,369	15.7	\$149,894	21.1	\$21,190	16.8
2. Programs to acquire and use:						
Library materials	4,240	15.3	74,892	10.6	18,247	14.5
Computer software/hardware	4,795	17.2	49,501	7.0	18,725	14.9
Other instructional/educational materials	2,204	7.9	38,121	5.4	10,623	8.4
3. Innovative programs:						
Schoolwide improvement	1,524	5.5	54,571	7.7	4,956	3.9
Effective schools programs	944	3.4	18,715	2.6	5,836	4.6
4. Programs of training and professional development	3,510	12.6	84,100	11.9	20,035	15.9
5. Programs to enhance personal excellence and student achievement:						
Ethics	43	0.2	2,616	0.4	135	0.1
Performing and creative arts	524	1.9	16,199	2.3	3,201	2.5
Humanities	175	0.6	3,837	0.5	623	0.5
Physical fitness	38	0.1	204	<0.1	337	0.3
Comprehensive health education	74	0.3	2,015	0.3	134	0.1
Community service	32	0.1	1,226	0.2	228	0.2
Other	482	1.7	16,922	2.4	1,994	1.6
6. Programs to enhance school climate and educational programs:						
Gifted and talented programs	1,372	4.9	55,247	7.8	3,861	3.1
Technology education	830	3.0	21,803	3.1	5,456	4.3
Early childhood education	469	1.7	18,070	2.5	1,556	1.2
Community education	201	0.7	11,601	1.6	599	0.5
Youth suicide prevention	2	<0.1	24	<0.1	5	<0.1
Other	1,036	3.7	47,474	6.7	3,572	2.8
7. Administration of the Chapter 2 program	934	3.4	41,965	5.9	4,766	3.8
Total 1991-92 Chapter 2 Allocation (Public school share)	\$27,887		\$692,884		\$126,039	

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Table 1-4 (Concluded)

LEA CHAPTER 2 PUBLIC SCHOOL ALLOCATIONS TO TARGET AREAS IN 1991-92

Target Area	Districts by Size					
	Medium			Small		
	Mean Allocation	Total Allocation	Percent of Total Allocation	Mean Allocation	Total Allocation	Percent of Total Allocation
1. Programs to serve students at risk or whose education entails higher-than-average cost	\$4,563	12.7		\$675		9.0
2. Programs to acquire and use: Library materials	7,062	19.6		1,400		18.6
Computer software/hardware	9,115	25.3		2,041		27.2
Other instructional/educational materials	3,859	10.7		635		8.4
3. Innovative programs: Schoolwide improvement	992	2.8		478		6.4
Effective schools programs	1,171	3.3		298		4.0
4. Programs of training and professional development	4,088	11.4		983		13.1
5. Programs to enhance personal excellence and student achievement: Ethics	2	<0.1		0		0.0
Performing and creative arts	400	1.1		125		1.7
Humanities	339	0.9		36		0.5
Physical fitness	36	0.1		21		0.3
Comprehensive health education	121	0.3		20		0.3
Community service	5	<0.1		6		0.1
Other	199	0.6		167		2.2
6. Programs to enhance school climate and educational programs: Gifted and talented programs	1,425	4.0		191		2.5
Technology education	832	2.3		199		2.6
Early childhood education	244	0.7		138		1.8
Community education	11	<0.1		13		0.2
Youth suicide prevention	0	0.0		2		<0.1
Other	859	2.4		62		0.8
7. Administration of the Chapter 2 program	667	1.9		27		0.4
Total 1991-92 Chapter 2 Allocation (Public school share)	\$35,977			\$7,485		

Source: Item 3, district survey.

Table 1-5

LEA CHAPTER 2 PUBLIC SCHOOL ALLOCATIONS TO EDUCATIONAL
ACTIVITIES IN 1984-85

Types of Activities	Percentage of Local Funds Allocated to Activity in 1984-85	Total Local Expenditures with 1984-85 Chapter 2 Funds
Computer applications	30	\$98,757,903
Library/media center support	29	96,682,360
Staff development	9	28,657,702
Curriculum or new-program development	9	30,055,895
Student support services	8	24,913,887
Instructional services	8	26,636,991
Other*	7	24,680,265
Total	100	\$330,385,003

* Includes community education, minigrants, administration, evaluation, and miscellaneous uses that do not fit into the previous categories.

Source: Knapp and Blakely (1986).

Chapter 2 funds to computer applications, compared with 17 percent in 1991-92. Similarly, in 1984-85, public schools allocated 29 percent of funds for library/media center support; LEAs in 1991-92 allocated 23.2 percent to library materials and other instructional/educational materials. Allocations for training and professional development increased between the two periods, from 9 percent in 1984-85 to over 12 percent in 1991-92. (We are not able to compare other activities because they were grouped differently in the two studies.)

Overview of Study Methodology and Sample

To examine the full spectrum of Chapter 2 program implementation, program operations at each level of the educational system were included in the evaluation. Two data collection strategies were used to collect the data needed for these purposes: (1) national surveys conducted at the state and local levels, and (2) case studies of 6 SEAs and 18 districts (3 in each case study state).

The Survey Sample

The two national surveys were administered in the 1992-93 school year and covered data from the 1991-92 school year. We achieved a 100 percent response rate to the state survey and an 80 percent response rate to the district survey. Both surveys were quite comprehensive, each consisting of 33 items (see Appendices B and C). Topics were tailored to address the particular responsibilities of state and local agencies with regard to the implementation of the Chapter 2 program. The SEA survey included the following subject areas: Chapter 2 outcomes and program improvement, the allocation of Chapter 2 funds, students and activities supported by Chapter 2 at the state level, and technical assistance and accountability activities related to the Chapter 2 program. Topics covered in the LEA survey included: Chapter 2 allocations, students and activities supported by local Chapter 2 funds, impact of Chapter 2 at the local level, services for private school students, and district background information. All the questions in the LEA survey included closed-ended responses; the SEA survey included four open-ended questions to allow state coordinators a chance to provide their views on Chapter 2's contribution to their state's educational program and suggested changes to the Chapter 2 legislation. Analyses of the survey data included frequencies and univariates on single variables. The LEA data were weighted to take into account differential sampling rates and differential response rates. The SEA data were not weighted since the universe of SEAs was surveyed.

The state sample included the entire universe of SEAs, that is, all 50 SEAs plus the agencies of the District of Columbia and Puerto Rico. Respondents to the state survey were state Chapter 2 coordinators.

The district sample was drawn from the universe of districts that have teachers, students, and operating schools, but excluded several types of specialized districts. The survey was sent to an overall sample of 1,501 districts drawn from cells of a sampling frame defined by two variables: (1) district size, which was based on student enrollment, and (2) district poverty, as measured by the Orshansky percentile. The district data were weighted to reflect the full population of districts in the nation. District survey respondents were local Chapter 2 coordinators or, if there was not a coordinator position, district staff most familiar with Chapter 2 activities.

The sampling frame for the LEA Chapter 2 survey is shown in Table 1-6. Within the sample framework, a disproportionately large sample of LEAs with higher enrollments (the very large and large size categories) was drawn because these districts serve the greatest number of students as well as many at-risk students—a particularly important factor given the study's emphasis on at-risk/high-cost students. By using both enrollment and district poverty as stratifying variables, we were able to provide sufficient variation in the size of Chapter 2 grants (primarily determined by student enrollment), in the types of Chapter 2 activities supported, and in the number and types of students served.

In addition to the data used for sampling purposes, demographic information was gathered on the LEA survey to help refine classification variables. According to the survey data, student enrollment patterns vary by district size with regard to ethnicity but not necessarily poverty (see Table 1-7). Very large districts have the highest proportion of minority students (46.5 percent) and the highest mean percentage of low-income students (37.8 percent). Small districts have a less diverse student population but have the second highest level of poverty (31.3 percent). Table 1-7 also illustrates the vast differences in number of students served by each district size category, from an average of over 69,000 students in the very large districts to just over 900 students in the small districts.

The SEA Case Study Sample

We conducted case study visits in 6 SEAs and 18 LEAs. States were selected on the basis of level of Chapter 2 funds received (ranging from a low of \$2,227,585 to a high of

Table 1-6

SAMPLING FRAME FOR THE LEA CHAPTER 2 SURVEY

District Size	District Poverty Level			Total	Percent
	Low	Medium	High		
All districts					
Population N	5,105	5,139	3,259	13,503	
Sample n	584	580	337	1,501	
Respondents	454	486	261	1,201	80.0
Very large (25,000+)					
Population N	52	82	61	195	
Sample n	52	82	61	195	
Respondents	47	80	50	177	90.8
Large (10,000 - 24,999)					
Population N	204	199	92	495	
Sample n	204	199	92	495	
Respondents	162	164	75	401	81.0
Medium (2,500 - 9,999)					
Population N	1,316	974	577	2,867	
Sample n	185	138	81	404	
Respondents	138	116	61	315	78.0
Small (<2,500)					
Population N	3,533	3,884	2,529	9,946	
Sample n	143	161	103	408	
Respondents	107	126	75	308	75.5

Table 1-7
ENROLLMENT PATTERNS OF CHAPTER 2 LEA SAMPLE

District Size	Mean Percentage of Student Enrollment					Mean Number of Students	Mean Percentage of Low-Income Students*
	White	Black	Hispanic	Asian/Pacific Islander	American Indian/Alaskan Native		
All districts	84.3	6.2	5.9	1.2	2.2	3,256	30.5
Very large (25,000 or more)	53.5	25.6	14.8	5.1	0.8	69,443	37.8
Large (10,000 to 24,999)	67.3	13.8	14.3	3.7	0.7	14,943	30.9
Medium (2,500 to 9,999)	77.3	11.1	8.8	2.1	0.7	4,798	27.5
Small (less than 2,500)	87.8	4.0	4.4	0.8	2.7	932	31.3

* Based on the number of students eligible for free or reduced-price lunch programs or from low-income families (AFDC count).

Source: Items 32 and 33, district survey.

\$49,122,277 in FY 1992) and poverty of the state as measured by the average percentage of persons in poverty in 1988, 1989, and 1990 (Bureau of the Census, 1991). We used two secondary sampling criteria as well: exemplary uses of Chapter 2 funds for supporting educational improvement, and regional location. Exhibit 1-2 shows the distribution of SEAs by level of Chapter 2 funding and state poverty level. The case study SEAs are shown in the boxed cells of this sampling matrix. A brief description of each case study state's Chapter 2 programs is included below to provide the reader with a better context for interpreting our study data.

Texas (\$32,654,135) is one of the "big three" recipients of Chapter 2 funds, along with New York and California. It also has 2 of the 10 largest school districts in the country (Dallas and Houston). State administrators are working to align Chapter 2 with a new reform agenda that concentrates on student equity, excellence, increased achievement, and professional development. Existing Chapter 2 programs address these priorities to various degrees. The Texas Renewal Initiative (TRI), for example, awards Chapter 2 effective schools funds to 20 regional educational service centers. Personnel at these centers identify and assist low-performing schools in their regions. A large portion of the state Chapter 2 grant is targeted on the educational needs of disadvantaged students.

A high-poverty state according to our case study sampling matrix, Texas was embroiled in a major educational finance crisis at the time of our visit. The formula for school funding was ruled unconstitutional in 1991, and the legislature was trying to devise a more equitable system (per-pupil expenditures range from less than \$4,000 to over \$11,000). The plan for finance equalization will require district consolidation, increased taxes, or both.

Mississippi (\$5,323,226) was selected as our other high-poverty state. Both LEAs and the SEA devote substantial portions of their Chapter 2 resources to at-risk students. The state also uses Chapter 2 to supplement numerous professional development and technical assistance outgrowths of the Mississippi Education Reform Act of 1982. The SEA has used Chapter 2 to develop a variety of technology and distance learning pilots directed at the state's many rural districts.

SEA respondents report that they wish to foster local capacity for curriculum, instruction, and administration. Local decision-making authority is already high, and state

Exhibit 1-2

SAMPLING GRID FOR SEA CASE STUDIES

		Level of Chapter 2 Funding			
		<u>Low</u>	<u>Medium</u>	<u>High</u>	<u>Total</u>
State	High	5 SEAs	8 SEAs	5 SEAs	18 SEAs
Poverty	Medium	6 SEAs	2 SEAs	9 SEAs	17 SEAs
Level	Low	6 SEAs	8 SEAs	3 SEAs	17 SEAs
Totals		17 SEAs	18 SEAs	17 SEAs	52 SEAs

authority does not interfere with local priorities. The SEA and LEAs are both working to overcome low per-pupil expenditures (the average statewide is about \$3,000), high poverty, and the effects of high adult illiteracy rates. Fifty percent of all Mississippi students come from families in poverty.

Colorado represents the medium-grant (\$5,671,211), medium-poverty cell of our sampling frame. The state's governor has taken an active role in supporting education through his chairmanship of the education committee of the National Governors' Association. In 1988, priorities were established for the state Chapter 2 program that reflect the goals of the state's major restructuring plan: students at risk (increasing student performance), effective schools (educational accountability), and professional development (teacher preparation and renewal). The majority of state set-aside funds have been used to support staff in the School Effectiveness and High Risk Intervention Units. Staff in the School Effectiveness Unit have been providing a "vision" for reform by translating state reform legislation into practice through assistance to LEAs in implementing the new legislation on accountability standards. The High Risk Intervention Unit is addressing reform issues related to greater school success and comprehensive health education. SEA staff characterized Chapter 2 funds as the glue that has pulled together SEA activities related to reform and to support collaborative efforts across agencies.

The school-age population in Colorado is continuing to increase, with the largest growth in the Denver metro area. Since the mid-1980s, Colorado residents have shown an increasing tendency to vote down school district requests to raise revenues through new taxes or bond issues. In 1992, the voters passed Amendment 1, which restricts the amount that income can be taxed and that revenues can be expended. As a result, the state legislature and school districts are now faced with large budget cuts in order to reduce mounting deficits.

Indiana (\$10,016,317) is classified as a high Chapter 2 grant state with medium poverty. The SEA spends Chapter 2 dollars in each of the target areas principally by supporting staff who provide technical assistance in the form of materials development, conferences and workshops, and direct consultation. The activities supported through Chapter 2 supplement efforts across SEA divisions. They involve remediation programs for at-risk students, technology education for private schools, effective schools efforts in conjunction with their performance-based accreditation process, curriculum framework development for their textbook adoption cycle, staff development in the areas of portfolio

assessment and uses of technology, academic recognition programs for students across the state, pilot programs in values education, and training seminars in early identification of and provision of services to students at risk of illiteracy.

The superintendent's office has always had a large part in identifying which SEA staff are funded by Chapter 2 and, therefore, which SEA efforts would receive Chapter 2 support. A new superintendent was recently elected and had been in office a couple of months when we visited the SEA. What the change in superintendents will mean for Chapter 2, if anything, was yet to be determined.

Vermont (\$2,227,585), a low-poverty, low-sized-grant recipient, uses Chapter 2 mostly to fund technical assistance and professional development activities throughout the state to support its numerous reform initiatives. Vermont is currently in the midst of several large-scale reforms, including a statewide portfolio assessment program, Vermont's Common Core of Learning, and local standards boards for teacher professionalism.

Vermont has been successfully aggressive in pursuing outside funding to support its reform and restructuring agenda. It has received a number of grants and awards to support its endeavors from various sources, including the Carnegie Foundation, for reforming middle level education; Jessie Cox Charitable Trust, for curriculum development and assessment in the arts; National Governors' Association, for exploring school delivery standards; National Science Foundation, for state systemic reform in math and science; and New American Schools, for developing "break the mold" schools.

Maryland (\$7,561,614) was selected as another medium-sized-grant recipient with low levels of state poverty. Three years ago, the state launched a major reform effort focused on the school as the unit of performance. The state reform initiative is organized under the rubric of "Schools for Success," which includes a set of 10 state goals linked to AMERICA 2000 and the National Goals. Chapter 2 funding is linked to most of the new reform programs. Chapter 2 funds are used to support 13 different programs that cover a broad range of activities, including performance assessment, administrator assessment, early childhood and readiness activities, training in computers, generic state-required training, writing assessment, library/media, technology, instructional frameworks, and student leadership. Most of these activities are categorized as "effective schools programs."

The SEA has undergone a series of leadership changes and a major reorganization. A shrinking state budget has also affected the infrastructure of the state's reform movement (e.g., some requirements rescinded, development of performance assessments for diagnostic purposes halted). Whereas SEA staff see their priorities as research, development, and process rather than products or outcomes, the state board has the opposite orientation, which is the cause of much conflict. This tension is reflected in the use of Chapter 2 as well, with SEA staff focusing on R&D and the board pushing for activities with clearly defined outcomes. SEA staff also support the notion that the state should provide the leadership role and that LEAs should follow.

The LEA Case Study Sample

Within each case study state, we selected three LEAs. District candidates were compiled through contacts with the state Chapter 2 office, the network of state Chapter 2 coordinators, the Chapter 2 National Steering Committee, ED personnel, and other professional contacts. We also gathered information from the candidate districts themselves through phone interviews before making final sampling decisions. The LEA case study sample was selected to represent variation in (1) size of Chapter 2 grant, ranging from \$25,000 to over \$1,500,000, (2) district enrollment, (3) district poverty, and (4) metropolitan status. This set of basic criteria, together with the innovative use of Chapter 2 funds, generated a diverse case study sample (see Table 1-8).

Case Study Methods

We conducted the SEA case studies in order to describe the Chapter 2 program at the state level. Information was collected on the full range of Chapter 2 activities: administration, decision making, activities receiving Chapter 2 support, and evaluation. We also investigated the relationship between Chapter 2 and other SEA programs, especially those focused on school reform. Specifically, we collected data on the following topics:

- State education context: political and economic climate, top education priorities, authority and governance, school finance, and state reform.
- The state Chapter 2 program: organizational structure, administration, decision making, state advisory committees, and relationship between state and local Chapter 2 decision making.

Table 1-8
DISTRICT CASE STUDY SAMPLE*

	Size of Chapter 2 Grant		District Enrollment		District Poverty/ Orshansky Percentile†			Metropolitan Status		
	Under \$100,000	\$100,000 or More	Under 10,000	10,000 or More	Low	Medium	High	Urban	Suburban	Rural
VT:	X		X		X				X	
	X		X				X			X
	X		X			X				X
MS:	X		X			X				X
	X		X				X	X		X
	X		X				X	X		X
IN:		X		X		X		X		
		X		X					X	
	X		X		X				X	
	X		X		X				X	
MD						X				X
						X				
						X				
CO:		X		X		X		X		
		X		X		X		X		
	X					X				
	X					X				
TX:		X		X				X		
		X		X				X		
		X		X				X		
		X		X				X		

* Pseudonyms are used for district names to protect the confidentiality of the respondents.

† Low-poverty districts have percentiles from 0 to 9, medium-poverty districts from 10 to 19, and high-poverty districts 20 and higher. Using information from Quality Education Data (QED), we researched the poverty levels of selected LEAs to ensure a range of poverty levels.

- Activities receiving Chapter 2 support, including the extent to which specific student populations were targeted, coordination with other programs, and relationship to state reform efforts.
- Procedural and programmatic technical assistance delivered in conjunction with Chapter 2.
- Evaluation of Chapter 2 program impact: outcomes, use of evaluation data, and effects on the SEA of the absence of Chapter 2 funds.
- Private school participation and its effect on SEAs.
- State recommendations for the reauthorization of Chapter 2.

Preliminary data were collected before our case study visits (e.g., SEA applications, state evaluations of effectiveness). Once on-site, data collection consisted mostly of semi-structured, protocol-guided interviews with Chapter 2 staff and other key education personnel. The exact list of respondents varied by state, but we typically interviewed a deputy superintendent, the director of federal programs, the coordinator of Chapter 2, Chapter 2 staff and consultants, evaluation personnel familiar with Chapter 2, SEA staff involved in Chapter 2-supported activities (e.g., the effective schools program), a representative of the Chapter 2 advisory committee, and a private school representative. Interviews were tailored to the specific background and expertise of different respondents but systematically covered similar themes across all sites.

The district case studies were the crucial source of data for understanding local program operations in detail. Our LEA data collection strategy was designed to parallel the procedures used at the SEA. For example, we collected data on local context, Chapter 2 program administration and decision making, activities receiving Chapter 2 support, and program evaluation. We also collected information on student targeting, LEA/SEA relationships, and coordination between Chapter 2 and local reform priorities. By gathering information at both the SEA and LEAs within the same state, we were able to assess state and local perceptions of the same overall issues and specific elements of the Chapter 2 program. We were also able to cross-validate information obtained from the two levels.

LEA respondents typically included the district superintendent or deputy superintendent, director of federal programs, coordinator of Chapter 2, district staff involved with Chapter 2-funded activities, school-level personnel who participated in Chapter 2 activities, and other key players such as school board members or outside

consultants. When program components for students attending private schools received Chapter 2 funds from the LEA, we also interviewed private school representatives.

Detailed case reports averaging 20 pages in length were prepared for each case study SEA and LEA. Preparation of these reports was guided by an analytic debriefing form. The case studies contain information obtained through on-site interviews, review of records, and observations. To facilitate later cross-site analysis, each case report author "coded" his or her written report (see Appendix D). Codes corresponding to different study themes and concepts were entered into *ETHNOGRAPH*, a software package designed to aid qualitative data analysis.

The completed case reports and *ETHNOGRAPH* codes were used jointly for cross-site analysis. The goal of this analysis was to identify common themes across sites in order to make statements about the case study sample as a whole. At several points during the analysis stage, members of the study team met to share and refine themes and general observations from the case studies. We also used the study research questions as a means of structuring the analysis and organizing the qualitative data and overall study findings.

Overview of the Report

This report integrates the qualitative case study data and the quantitative survey data collected for the study. Section 2 explores the extent to which Chapter 2 is used to support educational improvement. It describes effective ways in which Chapter 2 is used to support educational reform and priorities, at-risk/high-cost students, and innovative programs, and presents evidence of program effects. It also explores how the common practice of funding multiple activities with Chapter 2 funds has been done effectively. Section 2 likewise presents evidence of less effective use of Chapter 2 funds. It describes Chapter 2 activities that are not directly linked to instruction, programs of unknown or questionable merit, and programs in which funds are used in the same manner year after year.

Section 3 explores the federal influence on the Chapter 2 program. It delves into the three new provisions in the Chapter 2 program: the establishment of the target areas, the required SEA set-aside for effective schools programs, and the new evaluation requirements. The section also looks at the effects of one other federal provision that was in effect before the 1988 reauthorization: supplement-not-supplant. Section 3 concludes

with a description of federal guidance provided to SEAs and LEAs and reactions to that guidance.

The fourth and fifth sections of this report focus on the role of the SEAs and LEAs in the Chapter 2 process, respectively. Each section describes Chapter 2 administrative activities, decision-making processes, accountability mechanisms, and evaluation activities. Section 4 describes technical assistance SEAs offer to LEAs; Section 5 describes technical assistance LEAs offer to their schools. Section 4 also explores the role of the SEA in providing direction and leadership for the Chapter 2 program.

Section 6 explores the participation of private school students. It describes changes in the participation rate among private school students since reauthorization, and services offered to these students.

This report concludes in Section 7 with a review of the research questions and a discussion of policy alternatives suggested by the findings of this study.

Note that whereas the actual case study SEA names are used throughout the report, we use pseudonyms for all district case studies to protect the confidentiality of local study participants.

2 HOW CHAPTER 2 IS USED TO SUPPORT EDUCATIONAL IMPROVEMENT

There is ample evidence from both the survey and case study data that Chapter 2 is used to support educational improvement as intended by the legislation. This is most obvious through its support of state and local educational reform and educational priorities. Fewer Chapter 2 activities are explicitly linked with the National Education Goals for educational reform, although many, if not most, can be logically related. Chapter 2 also supports educational improvement by focusing funds on at-risk/high-cost students and enabling states and districts to launch innovative programs.

Although it appears that Chapter 2 is used to support educational improvement much of the time, this is not always the case. Some of the programs and activities it supports are isolated from reform initiatives under way in states and districts. Others have little direct impact or no impact on students, instruction, school staff, or school performance. Many have never been evaluated or have been evaluated only superficially. Some states and districts continue to fund the same activities with Chapter 2 year after year, with little thought as to the most appropriate use of the funds.

In this section, we review both sides of the issue: effective use of Chapter 2 to support educational improvement and less effective use of Chapter 2. We substantiate our discussion of effective use with evidence of Chapter 2 impact drawing from both the surveys and the case studies. A complete listing of Chapter 2 activities in our state and local case study sites appears in Appendices E and F.

Effective Use of Chapter 2

Support for Educational Reform

For the purpose of this discussion, we define "reform" as specific strategies implemented by states or districts to achieve educational change. We documented such reform efforts through the case studies. In most cases, reform initiatives were clearly articulated and education staff shared a common understanding of their purpose. Across the states and districts we studied, we saw the full range of educational reform, from innovative, state-of-the-art activities (e.g., Maryland's comprehensive system of statewide performance assessments) to less systemic, traditional methods. Rather than judging the

merit of "reform," we consider it in the context of each state's/district's educational needs and each agency's professional capabilities.

Support for the National Goals. Since the National Goals were established by the President and the nation's governors in 1989, states and districts have been encouraged by ED to link Chapter 2 to the Goals. The survey data suggest that they are doing so. As Table 2-1 shows, almost all states and about half of all districts claim that they are addressing each of the National Goals. In states that addressed the goals, relatively high proportions used Chapter 2 funds to support four of the Goals: "Student Achievement and Citizenship" (61 percent), "Science and Mathematics Achievement" (56 percent), "Readiness for School" (53 percent), and "High School Completion" (52 percent). Districts were less likely to use Chapter 2 when they addressed the Goals. For example, 50 percent of districts said they addressed "Student Achievement and Citizenship," but just over one-fourth of them (27 percent) used Chapter 2 funds to do so.

The case studies shed more light on the relationship between Chapter 2 and the National Goals. There was an explicit, intentional link between activities supported by Chapter 2 and the National Goals in just two of the six state agencies we studied. In Colorado, the SEA has set up special units to promote the National Goals and help locals implement them. Chapter 2 in Colorado supported two activities related to "Readiness for School." One of these involved adolescent pregnancy prevention and intervention; the other provided technical assistance to locals for the Even Start program. Colorado also targeted "High School Completion." Chapter 2 was used for technical assistance to locals in dropout prevention and discretionary grants to locals for programs that focus on at-risk youth.

Maryland's 10 state goals encompass each of the National Goals, and Chapter 2 is intentionally linked to five of the Goals. The Maryland School Performance Program (MSPP), which is the state's strategy for achieving its Schools for Success reform initiative, is supported by Chapter 2. The MSPP includes five strands: (1) identified data-based areas (e.g., assessed student knowledge, student participation), (2) standards for each data-based area to be achieved within five years, (3) an annual state School Performance Report, (4) site-based school improvement, and (5) a school performance review system, which involves criteria for schools and eventual assistance to schools if they are not able to meet criteria. The MSPP explicitly addresses "High School Completion," "Student Achievement and Citizenship," "Science and Mathematics

Table 2-1

PERCENTAGES OF STATES AND DISTRICTS THAT USED CHAPTER 2 TO SUPPORT ACTIVITIES RELATED TO THE NATIONAL EDUCATION GOALS

National Goal Activity	Percent of SEAs		Percent of Districts	
	Engaged in Activity	Used Chapter 2*	Engaged in Activity	Used Chapter 2†
Activities related to the National Goal "Readiness for School"	94.0	53.2	41.5	11.4
Activities related to the National Goal "High School Completion"	96.2	52.0	49.1	27.4
Activities related to the National Goal "Student Achievement and Citizenship"	95.7	61.4	50.0	26.6
Activities related to the National Goal "Science and Mathematics Achievement"	98.1	56.0	69.4	39.1
Activities related to the National Goal "Adult Literacy and Lifelong Learning"	95.9	17.0	37.4	22.8
Activities related to the National Goal "Safe, Disciplined, and Drug-Free Schools"	96.2	32.7	69.9	11.9

* Based on the number of states that engaged in the specified goal activity. All 52 SEAs responded to this item.

† Based on the number of districts that engaged in the specified goal activity.

Source: Item 22, state survey; Item 12, district survey.

Achievement,” and “Safe, Disciplined, and Drug-Free Schools.” Chapter 2 in Maryland also supports an early learning readiness assessment that is articulated as a strategy for addressing “Readiness for School.”

Colorado and Maryland are the clearest examples of the way Chapter 2 is linked to the National Goals. In both states, those designing and implementing the activities supported by Chapter 2 had the National Goals in mind. In each of the other four states we studied, relationships can be seen between the National Goals and Chapter 2 activities, but the relationships are implicit, after-the-fact, and not generally noted by state respondents. For example, in Texas, Chapter 2 supported a program providing child care services, parent training, and child tutorials (“Readiness for School”); provided minigrants to schools for extended day programs for homeless school-age children and grants to locals for programs that address the problem-solving skills of at-risk minority students (“High School Completion”); and provided staff development for elementary teachers in teaching science (“Science and Mathematics Achievement”). However, Chapter 2 was not central to the reform agenda at the state level, and any relationship between Chapter 2 activities and the National Goals was incidental.

The discrepancy between the case study findings (that Chapter 2 is not intentionally or directly linked to the National Goals in most cases) and the state survey findings raises an important issue about the validity of some of the survey data. State survey respondents were aware of the National Goals and aware that ED is promoting the Goals. Naturally, they wanted their programs to be viewed in a positive light, and when presented with the survey item, they may have made logical links between their activities and the National Goals. The survey responses most likely represent the extent to which Chapter 2 activities could feasibly be related to the National Goals (as in Texas), rather than the extent to which Chapter 2 is purposefully linked to the Goals (as in Colorado and Maryland). It is interesting that districts were less likely to claim a relationship between their Chapter 2 activities and the National Goals, although when examined with the same criteria used for states, the activities districts support are actually more closely linked to the Goals. Parenthetically, none of the case study districts made explicit links between their Chapter 2 activities and the National Goals, even when their states did so.

Support State and Local Reform. Higher percentages of both states and districts used Chapter 2 for reform not directly related to the National Goals. Table 2-2 shows the percentages of states and districts that reported engaging in various reform activities and the percentages of those states and districts that used Chapter 2 to support the activity.

Table 2-2

**PERCENTAGES OF STATES AND DISTRICTS THAT USED CHAPTER 2
TO SUPPORT EDUCATIONAL REFORM**

Reform Activity	Percent of SEAs		Percent of Districts	
	Engaged in Activity	Used Chapter 2*	Engaged in Activity	Used Chapter 2†
Support for effective schools programs	100.0	98.0	69.3	42.0
Other educational reform activities	90.0	88.9	11.1	48.1
Support for school improvement planning	96.1	81.6	77.3	31.5
Revising/developing curriculum frameworks that promote higher-order thinking skills	89.8	76.2	72.8	40.0
Systemic reform efforts	90.4	71.1	57.1	22.8
Support for school-based restructuring efforts	96.1	69.4	58.1	23.4
Establishing public-private partnerships	81.2	46.2	34.2	4.8
Revising/developing standards for student performance	94.1	44.7	62.6	27.0
Activities related to AMERICA 2000	72.9	42.9	37.2	15.6
Developing alternative measures of student achievement	92.2	40.4	52.5	14.7
Alternative teacher and/or administrator certification	79.2	18.9	**	**

* Based on the number of states that engaged in the specified reform activity. All 52 SEAs responded to this item.

Note: Rows ordered by percent of SEAs (high to low).

† Based on the number of districts that engaged in the specified reform activity.

** Not asked of districts.

Source: Item 22, state survey; Item 12, district survey.

According to survey responses, the most frequently supported type of reform was effective schools programs. All states said they sponsored effective schools programs, and 98 percent used Chapter 2; 69 percent of districts said they sponsored effective schools programs, and 42 percent of those districts used Chapter 2. Very high percentages of states also used Chapter 2 for school improvement planning (82 percent), revising/developing curriculum frameworks that promote higher-order thinking skills (76 percent), systemic reform (71 percent), and school-based restructuring (69 percent). Districts were less likely to use Chapter 2 for these or other types of reform.

The case studies provide many concrete examples of the way in which Chapter 2 is linked to state and local reform initiatives. (Case study evidence of support for effective schools programs will be discussed in the following section.) Each of the case study states used Chapter 2 to fund at least one activity that was directly related to the state's reform effort. Colorado was the exemplar, with nearly all of its Chapter 2 activities relating to state reform. The reform effort in Colorado encompasses four major strategies: educational accountability, high expectations and standards for student performance, teacher preparation and renewal, and community support for restructuring. The state education department has recently added two special units—a High Risk Intervention Unit and a School Effectiveness Unit. Both units provide technical assistance to locals in implementing state reform and the National Goals. Chapter 2 funds positions in both units.

Maryland's Chapter 2 support of the National Goals (discussed above) is one and the same as its use of Chapter 2 for state reform because each of the state's reform initiatives (e.g., Maryland School Performance Program, Schools for Success, Early Learning Readiness Assessment) has been carefully cross-referenced with the National Goals.

Vermont and Indiana also linked several of their Chapter 2 activities to state reform. Vermont has specified standards for school approval, has developed and piloted statewide portfolio assessments, has developed a Common Core of Learning, participates in the National Science Foundation's Systemic Reform Initiative, won a New American Schools grant, and uses local boards for relicensing educators. Chapter 2 provided training and technical assistance to locals in effective schools programs. Vermont's standards for school approval are based on the model of effective schools. Chapter 2 was also funding the development of a new schoolwide evaluation system that will include the state's innovative portfolio assessments.

The Work Force Bill of 1987 initiated Indiana's reform program. This legislation mandated performance-based accreditation for schools and statewide testing of students. Districts are required to offer low-performing students the option of attending summer remediation programs. Chapter 2 was used for technical assistance and professional development related to the school accreditation process and summer remediation programs.

Several local Chapter 2 programs we studied supported their states' reform initiatives as well as their own reform initiatives. For example, in 1992-93, Adams gave minigrants to schools "to enhance their ability to be more effective instructional facilities." School performance is a leading state reform initiative via the Maryland School Performance Program. This use of Chapter 2 is aligned with local reform by empowering school improvement teams, the principal vehicle for district reform. Bedford Chapter 2 funds were used to support the local standards board, which is the state's new reform initiative for teacher licensure. This district also used Chapter 2 for professional development in portfolio assessment, a major component of both state and local reform. Warner provided locals with staff development through Chapter 2 to help them set up programs for low-performing students. This activity is in line with the state's mandated summer remediation reform initiative.

Most local Chapter 2 programs focused on local reform as opposed to state reform, which is appropriate given Chapter 2's emphasis on local needs. The best examples of Chapter 2's role in supporting local reform are Fremont and Madison. Fremont Schools of Excellence, the district's ambitious reform effort, promoted shared decision-making teams; school improvement planning; decentralization of decisions; and expansion of the core curriculum to include art, music, and a multicultural, multiethnic focus. Similar to Adams, Chapter 2 empowered school decision-making teams by providing them with minigrants, in this case to develop programs for at-risk students. Chapter 2 dollars were also used for People Place, a multicultural learning center for first-graders, which ties in with curriculum reform.

Madison is undergoing a major restructuring effort. As a first step, the district specified student outcomes for each of its local priority areas. School principals work with school accountability committees to develop school improvement/accountability action plans to address four priority areas: literacy, problem solving, math and science reasoning, and personal/social development. The district has organized "worry groups" whose task it is to follow up on the school action plans. Chapter 2 is in the thick of this

reform with funding for projects targeted for assistance by worry groups, funding for professional development in priority areas, minigrants to schools to help accountability committees develop and implement their action plans, and materials acquisitions in priority areas.

Many other districts we studied aligned their use of Chapter 2 funds with local reform. Maple gave schools minigrants in a variety of areas, reflecting its focus on site-based management as a vehicle for reform. Warner used Chapter 2 funds to purchase software and CD-ROMs, in support of the district's reform plan for technology. Packwood put Chapter 2 funds into two district reform programs, Writing to Read and Values Awareness, which were initiated with state Chapter 2 seed money.

We now turn to a special type of state and local reform, effective schools programs.

Support for Effective Schools Programs. One of the purposes of Chapter 2, as reauthorized in 1988, is "to enhance the quality of teaching and learning through initiating and expanding effective schools programs." The legislation went so far as to include these activities in the list of targeted assistance areas and required states to spend at least 20 percent of state funds on effective schools programs. As shown in Table 1-3 (see Section 1), states allocated more than this amount in 1991-92 (22 percent of state funds on the average). Further, most, though not all, waived states also reported expenditures for effective schools.

Although a high percentage of state Chapter 2 funds were targeted to effective schools programs, we should not presume that activities classified in this category constitute effective schools activities as defined by the legislation. We found through the case studies that the target areas in general had different meanings from state to state and district to district. The "effective schools" label seemed to be most liberally applied and broadly defined. When we look closely at the nature of state activities funded as "effective schools programs," we find few that parallel the characteristics outlined in the legislation. Two state effective schools programs that reflect the legislation are those in Indiana and Vermont.

In Indiana, Chapter 2 effective schools programs provided technical assistance to schools that were undergoing the state-mandated performance-based accreditation process (discussed earlier in relation to state reform). Because the accreditation process is based on the traditional correlates of effective schools, technical assistance focused on planning, professional development, and awareness activities in these areas.

Vermont used Chapter 2 funds for professional development and technical assistance to local public and independent school personnel for the implementation of effective schools programs. As noted above, the effective schools literature was the basis for Vermont's school standards, a key component of that state's reform initiative. State staff worked directly with school principals and teachers, helping them to analyze their own programs and to develop and implement a local school improvement plan. The plan addresses the total school curriculum, school climate, school leadership, assessment of student programs, and ongoing professional development. Vermont's effective schools program has expanded well beyond the original conception of "effective schools" to include more ambitious restructuring efforts and more comprehensive evaluation. The state is using Chapter 2 funds to develop an evaluation system that will incorporate assessments of student performance at grades 4 and 8 using a uniform assessment and a portfolio of each student's work, an evaluation of school programs, and outcome measures for other school effectiveness indicators, such as school climate, dropout data, the number of students advancing to postsecondary education, and student aspirations.

Like Indiana, Vermont has developed a more up-to-date conception of "effective schools programs" than what the legislation outlined, but both the Indiana and Vermont effective schools programs include the hallmark effective schools characteristics of building schoolwide capacity for planning and decision making, improving teaching, and increasing learning for all students.

Turning now to district adoption of effective schools programs, it is clear from Table 1-4 (see Section 1) that LEAs allocated a low proportion of their Chapter 2 funds (3 percent) to this area (accounted for by 6 percent of all districts). There are two reasons why this may be the case: (1) districts were not required to spend funds in this area, and/or (2) district respondents may have used a more stringent definition of "effective schools" than did states. For whatever reason, 94 percent of districts reported spending no funds for effective schools programs.

The district case studies corroborate these data. Out of the 18 districts we studied, only two programs could be clearly characterized as effective schools programs: those in Packwood and Madison. Packwood schools underwent Indiana's mandated performance-based accreditation in 1991-92. Chapter 2 funds were used to pay for substitutes so that school staff could work on their school improvement plan in preparation for the accreditation process.

The other recognizable effective schools program at the local level was in Madison. In 1991-92, minigrants were used to assist individual schools in developing action plans and providing follow-through support to attain building-level outcomes for student success. The next year, Chapter 2 funded "worry groups" to ensure continued attention to the schools' action plans.

Like states, districts tended to interpret "effective schools" very broadly. Many Chapter 2 administrators would argue that virtually any activity related to education contributes to more effective schools, whether that be purchasing calculators or providing technical assistance to staff.

Support for Educational Priorities

Support for educational priorities is by far the most pervasive use of Chapter 2. Quantitative data from the district survey support this finding at the local level. Nearly 80 percent of district respondents reported that Chapter 2 activities related to district priorities either "quite a bit" or "a great deal" (see Table 2-3). The larger the district, the more likely this was to be the case.

There was not a comparable item on the state survey. However, state coordinators were asked to rate the extent to which various factors influenced the use of Chapter 2 funds in their states. State priorities for education and local needs and priorities all received high ratings: 67 percent rated state priorities for educational reform as having "quite a bit" or "a great deal" of influence; 59 percent rated local needs and priorities as having "quite a bit" or "a great deal" of influence (see Table 2-4).

The case studies provide further evidence that Chapter 2 is instrumental in supporting state and district educational priorities. Priorities were generally reflected in written goal statements. However, we found that informal priorities were prevalent as well, usually being more temporal and more vulnerable to agency politics, but influential nonetheless. We took both types into account in our case studies.

Table 2-3

**EXTENT TO WHICH LOCAL CHAPTER 2 ACTIVITIES RELATED
TO DISTRICT PRIORITIES**

District Size	Percent of Districts*			
	Not at All	Some	Quite a Bit	A Great Deal
All districts	1.4	19.6	28.8	50.3
Very large	0.0	7.9	21.7	70.4
Large	0.5	9.7	26.1	63.7
Medium	0.6	12.1	28.9	58.4
Small	1.7	22.6	29.0	46.8

*Excludes districts that responded "don't know" or did not respond to the survey item.

Source: Item 17, district survey.

Table 2-4

FACTORS INFLUENCING USE OF STATE CHAPTER 2 FUNDS

Factor	Percent of SEAs*				Mean Rating†
	Not at All	Some	Quite a Bit	A Great Deal	
Requirements of the Chapter 2 program	0	17.6	9.8	72.5	3.5
State priorities for educational reform	0	32.7	30.8	36.5	3.0
Local needs and priorities	5.9	35.3	31.4	27.5	2.8
Input of Chapter 2 Advisory Committee	0	49.0	23.5	27.5	2.8
Past use of Chapter 2 funds	7.8	41.2	23.5	27.5	2.7
Other state priorities	14.6	52.1	16.7	16.7	2.4
Unanticipated critical needs	52.2	34.8	13.0	0	1.6

* Excludes states that responded "don't know" or did not respond to the survey item. Fifty-one SEAs responded to this item.

† Based on a four-point scale: 1=not at all, 2=some, 3=quite a bit, 4=a great deal. The midpoint is 2.5.

Source: Item 25, state survey.

Each of the case study states used Chapter 2 for state priorities, although some did so more than others. Colorado, Mississippi, and Maryland made the most use of Chapter 2 for state priorities. Mississippi, for example, used Chapter 2 to provide technical assistance to low-performing schools to help them meet accreditation requirements (state priority: school accountability), for new administrator staff development (state priority: building administrator capacity); for technical assistance and evaluation of local programs for students with disabilities (state priority: reducing dropout rate), and for an innovative fiber optic program that networks classrooms and universities (state priority: satellite education).

The tendency for states and districts to use Chapter 2 for educational priorities appeared to be related to the clarity and institutionalization of their priorities. States like Maryland and Colorado had well-defined state goals that were cross-referenced to the National Goals. These were published in various state documents and were well known among state and local staff. Other states, such as Texas, had less definitive priorities and no formal state goals for education. Thus, it was difficult to see a relationship between state "priorities" and Chapter 2 activities.

Districts were more likely than states to use Chapter 2 to support their own educational priorities. As indicated above (Table 2-3), nearly all districts did so. We were able to document this through the case studies. Jefferson and Warner used Chapter 2 exclusively for this purpose. Jefferson funded two activities with Chapter 2: the Community Mentorship Program, which pairs community volunteers with potential dropouts (local priority: dropout prevention) and acquisition of computer hardware and software for instructional purposes (local priority: technology education). Jefferson is representative of many districts in our case studies that cited technology as a local priority.

Along the same theme, Farmdale used Chapter 2 for a gifted and talented program (local priority: outstanding individual achievement), which enjoyed the support of a very vocal and politically persuasive parent contingent. This popular program was "protected" by Chapter 2 funding, which central office staff viewed as more stable than other sources of funding.

Support for At-Risk/High-Cost Students

One of the central purposes of Chapter 2, as it was reauthorized under the Hawkins-Stafford Amendments, is "to meet the special educational needs of at risk and high cost students" [P.L. 100-297, Section 1501 (b)]. We measured the extent to which state and

districts target Chapter 2 funds to at-risk/high-cost students and studied the ways in which Chapter 2 funds are used to meet the needs of these students. The study data include multiple indicators for this purpose. First, we will look at financial data—state and local allocations for Target Area 1, At-Risk/High-Cost Student Programs. We will then turn to the survey data for national estimates of how frequently states and districts target particular students, what kinds of students they target, and at what grade levels. Using the survey data again, we will examine the kinds of Chapter 2-funded activities that address the needs of at-risk/high-cost students. Finally, we will draw on the case studies for examples of exemplary Chapter 2 programs that focus on at-risk/high-cost students.

States and districts allocated substantial portions of their Chapter 2 funds to Target Area 1 in 1991-92. SEAs channeled 11 percent of their state funds to this area (see Table 1-3 in Section 1), the third highest allocation, after Innovative Programs and Professional Development. Districts allocated 16 percent of their funds, the second highest allocation, after Instructional Materials (see Table 1-4 in Section 1). Very large districts allocated even more (21 percent).

From the above data, it appears that both states and locals set aside substantial portions of Chapter 2 funds for programs to serve at-risk/high-cost students. When we look at the survey data, however, fewer than half of states (48 percent) and even fewer districts (39 percent) reported targeting Chapter 2 funds to serve any particular group of students, at-risk/high-cost or otherwise. Of those states and districts that did target funds to particular students, the highest proportions (31 percent of all states and 18 percent of all districts) focused on low-achieving students (see Table 2-5). Lower proportions of states and districts reported targeting students with other at-risk characteristics, such as low-income families, single-parent homes, sparsely populated areas, urban areas, disabilities, minority background, or limited-English-proficient (LEP). Note that gifted and talented students were targeted by relatively high proportions of both states and districts that targeted students (52 percent of states and 27 percent of districts).

When we look at state/district targeting by grade level (holding student characteristics constant), we see different patterns for states and districts. States and districts targeted students by grade level at about the same rate (15 percent of all states, 18 percent of all districts; see Table 2-5), but states tended to focus on the middle and upper grades, while districts tended to focus on the early and middle grades (see Table 2-6).

Table 2-5

PERCENTAGES OF STATES AND DISTRICTS THAT TARGETED CHAPTER 2 FUNDS TO VARIOUS TYPES OF STUDENTS

Type of Student	Percent of SEAs*	Percent of Districts†
Low-achieving students	64	46.4
Students from low-income families	52	17.2
Students from single-parent homes	12	11.0
Students living in sparsely populated areas	28	9.8
Students living in urban areas	32	2.4
Students with disabilities	16	10.1
Students from minority groups	44	10.6
Limited-English-proficient (LEP) students	32	9.5
Gifted and talented students	52	26.5
All students at a particular grade level	32	45.2
Other types of students	28	11.0

* Based on the 48% (25) of SEAs that targeted Chapter 2 funds to serve a particular group or groups of students. Fifty SEAs responded to this item.

† Based on the 39% of districts that targeted Chapter 2 funds to serve a particular group or groups of students.

Source: Items 20 and 21, state survey; Item 11, district survey.

Table 2-6

PERCENTAGES OF STATES AND DISTRICTS THAT TARGETED CHAPTER 2 FUNDS TO VARIOUS GRADE LEVELS

Grade Level	Percent of SEAs*	Percent of Districts†
Pre-kindergarten	60	8.3
Kindergarten-elementary	84	67.4
Middle school/junior high	96	61.5
High school	96	48.9

* Based on the 48% (25) of SEAs that targeted Chapter 2 funds to serve a particular group or groups of students. Fifty SEAs responded to this item.

† Based on the 39% of districts that targeted Chapter 2 funds to serve a particular group or groups of students.

Source: Items 20 and 21, state survey; Item 11, district survey.

Another way of looking at the use of Chapter 2 for at-risk/high-cost students is by reviewing the types of programs and services supported by Chapter 2. Table 2-7 shows the percentages of states and districts that used Chapter 2 to support various activities for students. The three predominant types of programs funded by state Chapter 2 funds were technology education (45 percent), dropout prevention (41 percent), and preschool/school readiness (38 percent). Two of these are clearly relevant to at-risk students. One-fifth of states funded counseling services, and 10 percent or more funded drug/alcohol abuse education, student assistance/study teams, youth suicide prevention, and academic tutoring.

Districts did not support activities related to at-risk youth as much as did states. Fewer than 10 percent supported counseling services, dropout prevention, and academic tutoring with Chapter 2 funds.

The fiscal and survey data indicate that Chapter 2 funds are used to some extent for serving the needs of at-risk/high-cost youth, more so by states than districts. But the majority of both states and districts do not target their Chapter 2 funding to any particular group of students. Our case studies provide some good examples of state and district programs that did focus on at-risk youth.

State-Level Programs Focusing on At-Risk/High-Cost Students. Most of the states in our case studies used some of their Chapter 2 funds for at-risk programs. States tended to provide funds to locals to carry out at-risk programs and/or to fund state positions related to at-risk activities or programs. Only occasionally did they provide professional development targeted to at-risk issues or purchase materials specifically intended for at-risk students.

Colorado spends over the national average on programs in Target Area 1 (23 percent of state Chapter 2 funds vs. the national average of 11 percent). The agency used both discretionary grants to locals and Chapter 2-funded state positions to target at-risk students. The state agency makes \$50,000 of Chapter 2 funds available each year to LEAs through discretionary grants for programs targeted to at-risk youth. Colorado also funds two state consultants in the High Risk Intervention Unit. One of the Chapter 2-funded consultants works on adolescent pregnancy activities; the other serves as a consultant for cultural competency, dropout prevention, and the Even Start Program. According to state staff, Chapter 2 funds enabled a variety of federal and state programs to be coordinated under a single umbrella via the High Risk Intervention Unit.

Table 2-7

PERCENTAGES OF STATES AND DISTRICTS THAT USED CHAPTER 2 TO SUPPORT VARIOUS PROGRAMS/SERVICES FOR STUDENTS

Type of Program/Service	Percent of SEAs*	Percent of Districts
Technology-based instruction	44.9	45.8
Dropout prevention	40.8	8.2
Preschool/school readiness	38.3	7.4
Gifted and talented	37.5	21.2
Mathematics	33.4	29.1
English/language arts	33.3	35.1
Science	32.6	29.8
Visual and performing arts	32.0	13.8
Social science/history	25.0	23.2
Counseling services	20.9	8.4
Health education	20.4	9.0
Drug/alcohol abuse education	14.2	6.4
Student assistance/study teams	12.5	4.9
Ethics	10.4	2.8
Youth suicide prevention	10.4	2.5
Academic tutoring	10.4	8.2
Mentoring	8.3	2.1
Health screening	0.0	0.8

Note: Rows ordered by percentage of SEAs (high to low).

* All 52 SEAs responded to this item.

Source: Item 23, state survey; Item 13, district survey.

Although Texas does not spend a high proportion (9 percent) of its Chapter 2 funds in Target Area 1 (it may categorize at-risk activities in other target areas), the state supports several innovative at-risk programs through discretionary grants and seed money for locals. One of the grants was made to a district for providing training to school personnel in teaching problem-solving skills to disadvantaged, at-risk, gifted minority students. Two others were given directly to schools in an urban district for providing extended day-care for homeless school-age children. Matching grants were given to six pilot sites with high proportions of at-risk students to help staff develop expertise in site-based management and shared decision making. Texas also provided seed money to five districts for piloting a variety of child-care services, parent training, and child tutorial activities.

Like Colorado, Indiana, which spent 7 percent of its state Chapter 2 funds on Target Area 1, funded state positions related to at-risk students. These Chapter 2-funded staff developed and implemented programs of assistance for changing teaching strategies used with remedial students; they developed and disseminated learning modules; and they provided workshops on topics such as the importance of healthy self-concept for students in remediation. Chapter 2 funds also supported the annual statewide conference on at-risk pupils.

Local-Level Programs Focusing on At-Risk/High-Cost Students. A number of districts in our case study sample provided Chapter 2 funds for programs targeted to students at risk. Like states, districts tended to use grants to support at-risk activities at the local level (minigrants to schools or teachers) and to fund positions related to at-risk activities. The positions they funded tended to provide direct services (e.g., instruction, tutoring, counseling) to students themselves rather than technical assistance or professional development.

Almost one-fourth of Fremont's Chapter 2 grant was generated on the basis of high-cost students, and programs designed for students at risk receive the majority of Chapter 2 funds (73 percent). Fremont used minigrants as a vehicle for targeting at-risk students. Thirteen middle schools and three high schools with large at-risk enrollments received grants to enable staff to devise strategies for meeting the needs of these students. School personnel had broad discretion to design their own interventions for dropout prevention, instructional remediation and enrichment, counseling, and in-school alternative education. One middle school reported success with a "behavior modification" lab for students with

discipline problems. For the most part, Chapter 2 was the only source of funds for these types of activities at the participating schools.

Nearly all Chapter 2 funds in Central Valley addressed the needs of at-risk students (91 percent). One of their most innovative programs, Alternative 7, enabled 60 students with low self-esteem and poor academic performance to use a computer laboratory operated by a nonprofit organization located on the campus of the local university. The students spend two hours a day at the center working on computer-based learning activities in basic skills. The Chapter 2-funded program provides students with much greater individual attention and also provides them with more structure than do other remedial programs available to them.

Canfield is an example of a district that uses Chapter 2 for programs that provide direct services to at-risk students. Approximately 10 percent of Canfield's grant was generated by students who received free and reduced-price lunch, but 90 percent of the grant was spent on at-risk programs. The district operated three innovative programs for high school students that integrated instruction with counseling for students with academic problems. Chapter 2 covered half the cost of the coordinating instructor/counselor. In addition, regular program teachers worked with the same group of students for two periods. The director at each school had instructional and counseling responsibilities for at-risk students throughout the school. For example, one high school director ran therapy groups for chemically dependent students, those going through family disruption, and children of alcoholics. Chapter 2 also supported an intervention program for at-risk students at an elementary school. Called the Red Flag Project, it consisted of a counselor who continually monitored the academic and social progress of all students who were Chapter 1 students, who received free and reduced-price lunch, who were limited-English-proficient, and/or who had been identified by regular teachers for special assistance of any kind. The counselor also worked on health and hygiene issues for these students and supervised small group tutoring sessions.

More than one-fifth of Maple's Chapter 2 allocation was used to support both school and central grants for at-risk activities. These included an Academic Achievement Center that provided intensive individualized instruction in learning basic skills to 2,000 elementary school students with low test scores, a vocabulary acquisition and literacy enhancement program for limited English Proficient students, and the Organizing for Learning Program, which teaches study skills to elementary and middle school students.

Jefferson deserves mention as well. It used over half of its Chapter 2 grant for programs targeted to at-risk students. Chapter 2 supported the salary of the director of the Community Mentorship Program. This program was part of a multifaceted dropout prevention program that matched screened community volunteers with interested students identified as potential dropouts. The community mentorship program appears to have had a positive effect on preventing dropouts. Since the program began five years ago, 97 percent of the student mentees have remained in school.

These are just a sample of the kinds of activities funded by Chapter 2 to support at-risk students. It is clear that not all states and districts sponsor such programs with Chapter 2 funds, but when funds are used for this purpose, the programs they support appear innovative and appropriate.

Support for Innovative Programs

The heart of Chapter 2's identity since its last reauthorization has been its role in supporting educational innovation, which often overlaps with educational reform and educational priorities. For the purpose of this discussion, we focus on the use of Chapter 2 to initiate programs, whatever their content, especially those that would not have been implemented without Chapter 2 resources.

The survey data displayed in Table 2-8 show the national prevalence of using Chapter 2 to initiate new programs in 1991-92. A substantial percentage of states (38 percent) used Chapter 2 as the sole source of funding for new programs, with approximately two-thirds using Chapter 2 as seed money. (Note, the survey options were not mutually exclusive.) Nearly one-fifth of districts reported using Chapter 2 as seed money. Very large and large districts were most likely to do so (43 percent and 36 percent, respectively). A very low percentage of districts across all sizes (7 percent) relied entirely on Chapter 2 for new programs, although a substantial percentage of very large districts (29 percent) did so.

The case studies generated a rich set of data on innovative uses of Chapter 2. Brief descriptions of two especially innovative state programs that are supported with a high proportion of Chapter 2 funds are highlighted here.

Mississippi's Fibernet 2000 Program. As part of its satellite education program (a state priority area), Mississippi used Chapter 2 to fund a two-way fiber optic network that links four pilot classrooms and several participating colleges and universities.

Table 2-8

USE OF CHAPTER 2 FUNDS IN 1991-92

Type of Use	Percent of SEAs*	Percent of Districts†				
		All Districts	Very Large	Large	Medium	Small
Continuation of existing Chapter 2 programs	98.1	53.4	91.2	79.0	63.6	48.4
Seed money for new programs that will eventually derive some or all of their funds from other sources	65.4	18.8	43.4	36.4	25.0	15.7
Expansion of programs initiated with funds from other sources	46.2	32.4	38.7	33.0	33.3	32.0
Full support for new programs	38.5	6.9	29.0	17.5	7.3	5.8

* All 52 SEAs responded to this item.

† Excludes districts that responded "don't know" or did not respond to the survey item.

Source: Item 12, state survey; Item 6, district survey.

Chapter 2 provided the initial funding for these pilots with a \$200,000 grant in 1988. Other sources of funds are now used in conjunction with Chapter 2, including state funds, foundation grants, and funds from regional institutions of higher education. Local funds are also required for participation fees and telecommunications equipment.

Maryland's Instructional Frameworks. Maryland's Instructional Frameworks have been brought into an interactive computer and video system. This state-of-the-art technology gives teachers the opportunity to explore effective approaches to instruction related to specific student learning outcomes developed as part of the Maryland School Performance Program—the state's central reform strategy. In 1991-92, the Instructional Frameworks were implemented on a limited basis in pilot implementation sites and staff development centers. Plans were to expand the frameworks in 1992-93 so that each local system has at least one site with the frameworks in place.

There were many excellent examples of Chapter 2's being used to support innovation at the local level. We present two here, both of which were supported with high levels of Chapter 2 funds.

Leland's Kids Network. Chapter 2 provided sole support for Kids Network and One Computer Classroom. Kids Network is an interactive computer network linking classrooms around the country (and at American military base schools around the world) to each other and to National Geographic for science and geography activities. One Computer Classroom is software and related staff training devoted to making efficient use of a single computer in a whole-class setting. Chapter 2 pays for this training, as well as for appropriate hardware. About 60 teachers from elementary schools around the district participated in the program in 1991-92. The program is considered a pilot at this point.

Madison's Minigrants. Madison uses Chapter 2-funded minigrants to help school staff implement both district and school-adopted reforms. For example, one minigrant—Partners in Learning, Understanding, and Sharing (PLUS)—is a mentor program that is offered to 24 second-grade Chapter 1 and special education students before their school day begins to help improve their reading and writing skills. The fifth-grade mentors are former Chapter 1 students who are now performing at or above grade level. Mentor activities include reading with their mentees, developing story maps, helping to write stories on the computer, and playing games to improve word skills (every week, mentors are taught teaching skills that they can use with their second-grade mentees). The role of teachers is to make sure that students are on task and to act as

facilitators. The program has received much positive feedback from classroom teachers because of the increase in self-esteem and reading scores on the part of both second- and fifth-graders. Chapter 2 funds have been used primarily to purchase materials, and the program has received some additional funding from the PTA to purchase book bags and from business partners to purchase books and awards.

Evidence of Impact

The above sections have reviewed ways in which Chapter 2 funds are used to support educational improvement—by supporting educational reform, educational priorities, at-risk/high-cost students, and innovative programs. Although each of these strategies would logically seem to lead to school improvement, we must look at the available evidence to determine the impact of Chapter 2 on school improvement. This evidence consists of state coordinators' reports of Chapter 2 contributions; district coordinators' reports of outcomes for students, staff, and district capacity; and program evaluation data collected as part of the state and local case studies. We first review state survey data that delineate Chapter 2 contributions to state education programs and augment these data with relevant examples from the case studies. We then present district reports of Chapter 2 outcomes and use the case studies again to ground the data in reality.

State Coordinators' Reports of Chapter 2 Contributions

The state survey included an open-ended item that asked Chapter 2 coordinators: "What has been Chapter 2's most important contribution to your state's educational program?" All but one coordinator wrote a response to this question. Their responses were coded and analyzed using *ETHNOGRAPH*. We were able to discern in these open-ended data six major themes, which are presented in Table 2-9 along with the frequency of their occurrence.

The most frequently mentioned contribution was that Chapter 2 promotes educational reform (57 percent of state coordinators). Most of the coordinators discussed the catalytic role of Chapter 2 in initiating reform, especially through effective schools programs. Reform has moved beyond effective schools in most states, but it provided the framework for more complex, systemic reform. Many coordinators also noted that Chapter 2 funding was critical in launching, developing, and sustaining their reform efforts. The fact that Chapter 2 can be used in a flexible manner also played a role in its being used for educational reform. Regular state funds are sometimes difficult to use for

Table 2-9

**PERCENTAGES OF STATES THAT INDICATED VARIOUS CHAPTER 2
CONTRIBUTIONS TO STATE EDUCATION PROGRAM**

Chapter 2 Contribution	Percent of SEAs*
Promotes educational reform	56.9
Promotes innovation or special projects—allows “risk-taking”	25.5
Provides flexibility to address state and local needs/priorities as they arise	19.6
Provides additional opportunities for professional development	19.6
Supplements the regular state education program by providing additional resources	11.8
Provides resources to acquire, expand, and experiment with technology	11.8

* 51 SEAs wrote responses to this open-ended item. Some respondents named more than one contribution.

Source: Item 1, state survey.

innovative, ambitious, untried programs, which are often the defining characteristics of reform. Some coordinators also mentioned that Chapter 2 funds enabled their state agencies to use national experts and hire well-qualified staff to help them develop and evaluate their reform efforts. Others noted that Chapter 2 allowed their agencies to provide more technical assistance related to reform, more professional development related to reform, and more extensive dissemination of materials pertaining to reform. Sample comments along this theme include these:

[The most important contribution was] the provision of funding for a systematic and comprehensive statewide school improvement program.

Chapter 2 has provided the SEA and LEAs the framework and financial resources for activities, programs, and projects to support reform efforts.

The [Chapter 2] funding allows our state the opportunity to provide necessary personnel to initiate and support educational reform as related to the six National Goals and state goals.

Our state has been actively working on school reform for the past 10 years. Chapter 2 has been crucial to this effort.

Following reform, state coordinators credited Chapter 2 with promoting innovation or special projects, allowing them to take risks (26 percent of state coordinators). This is a particularly relevant contribution in times of fiscal retrenchment when state boards are reticent to use funds on untried projects. Chapter 2 provides the resources to pilot new programs that, once shown to be effective, stand a better chance of getting funded through the regular education budget. Chapter 2 provides the flexibility to support innovative and creative efforts to achieve educational improvements, particularly in areas that are not addressed by federal programs. The following comments reflect this theme:

Chapter 2 gives local school districts fiscal resources for risk-taking in their school improvement programs.

Many of the innovative projects that were started with state Chapter 2 funds have received state funding from the legislature. Also, many of the local innovative projects that were started with Chapter 2 funds have received local funding from school boards of education. Without the availability of Chapter 2 funds, most of the innovative projects would not have had the opportunity to operate.

The most important contribution has been the provision of funds to individual schools (by formula and through competitive grants) to initiate

innovative projects and activities that are contributing toward school improvement or reform and restructuring in response to research and a changing educational paradigm.

[Chapter 2 has given us] the flexibility to support innovative and creative efforts to achieve educational improvements in the classrooms, particularly in areas where federal programs do not provide funding.

One-fifth of state coordinators noted Chapter 2's flexibility in enabling them to meet state and local needs/priorities. Several respondents pointed out that local needs can shift quickly, so that it is particularly important to have a flexible source of resources available. There were many mentions of Chapter 2's being used to support state priorities in the areas of curriculum development, especially in science, mathematics, and early childhood education; alternative assessments; technology; and professional development. The following comments illustrate this contribution:

Because of its legislative flexibility, Chapter 2 has allowed the SEA and LEAs to quickly respond to emerging student needs. Chapter 2 has the capacity to address current issues and needs for which Congress does not have a categorical program.

The most important contribution is the flexibility provided for instructional improvement based upon the state's identified needs and priorities.

Chapter 2 allows us to respond to LEA needs which change yearly.

One-fifth of state coordinators also pointed out that Chapter 2 provided more professional development opportunities for staff than would have been available otherwise, especially at the local level. The survey data on Chapter 2 allocations corroborate this qualitative theme—states spent 12 percent of their Chapter 2 funds on professional development (excluding professional development most likely offered through the other target areas, especially effective schools programs), and locals spent 13 percent (see Tables 1-3 and 1-4 in Section 1). This translates into roughly \$164,000 of additional funds for professional development per SEA and \$3,500 per district. Chapter 2 funds are often used to plan, implement, and evaluate professional development, to hire speakers, to pay for travel to conferences, and to support substitute time so teachers can attend workshops and visit other classrooms. Relevant comments along this theme are the following:

Regional training opportunities supported by Chapter 2 funds proved to be the catalyst which allowed over 180 schools to evaluate and begin to revise their educational programs.

At the local level, Chapter 2 focuses primarily upon individualized and structured programs of training and professional development with an emphasis on innovative instructional delivery, staff effectiveness, and curriculum development.

Twelve percent of state coordinators credited Chapter 2 with supplementing state programs and services through additional resources. Comments in this category referred to school improvement efforts, curriculum improvements, expanded technical assistance, and enhancing statewide leadership capacity. The following comment captures the essence of this theme:

Chapter 2 allows the SEA to provide direct technical assistance to LEAs and statewide leadership to 5 specific curricular areas in which such activity would otherwise be lacking or extremely limited. The areas of math, arts in education, humanities education, and health education, as well as elementary education, receive total support from Chapter 2. Statewide leadership, especially for development and improvement of curricula, would not be supported without Chapter 2, nor would technical assistance to local efforts in these areas.

A final theme from this set of open-ended responses was that Chapter 2 enabled states to advance in the area of educational technology, a priority area for many states. Funding for computer hardware and software has been critical to these efforts, but Chapter 2 funds have also been used to hire qualified technical staff and consultants, provide technical assistance to state staff and locals, and provide training in the use of technology. These comments reflect this theme:

Many of the state's innovative programs which focus on computer utilization were initially financed by Chapter 2.

Chapter 2 introduced technology to students at an early age and helped many districts realize long range plans to integrate technology into the curriculum.

We found support for each of these survey-generated themes in our case studies. Unfortunately, there were not many state-level evaluations of Chapter 2-funded activities in our case studies, but the data we have are useful and are presented here by the theme they support.

Promotes Educational Reform. Our earlier discussion of how Chapter 2 is used to support reform provides documentation that states use Chapter 2 for reform. Does using Chapter 2 in this way affect school improvement? The comments discussed above certainly suggest that it does. We also have evidence from our case study of Colorado that Chapter 2 promotes educational reform. The following excerpt from the Colorado case study is illustrative:

In Colorado, Chapter 2-funded staff have been an integral part of implementing national and state goals. The Chapter 2 coordinator characterized the program as “a proven base for systemic reform” that has allowed the state to develop a partnership between local, state, and national reform goals. Given the limitations on state funding now being faced by the SEA and LEAs, the state advisory committee chair believes that Chapter 2 funds will become even more important in facilitating innovation and reform.

Colorado conducted an evaluation of its Chapter 2-funded school improvement services, which, in addition to documentation of services and activities and participant counts, included feedback from service recipients (educators, teachers, districts, schools) on the services the SEA provided. The evaluation found that more than half of local respondents were aware of the services, one-third had used them, and the mean level of satisfaction with services was 3.3 out of 4 (somewhat satisfied).

Promotes Innovation. We provided evidence that Chapter 2 is used to support innovation in our section above. Data from Texas’s case study provides evidence that Chapter 2-funded innovative programs are effective. Texas conducted an evaluation of one of its most innovative Chapter 2-funded programs—Family Involvement in Education for At-Risk Children and Parents. This program was initiated with Chapter 2 seed money and has since been continued. It provides a variety of child care services, parent training, and child tutorial activities. Texas’s evaluation reported that all the project’s objectives were accomplished and that 866 families and 1,616 children had participated in the program. Staff conducted surveys and interviews with parents to evaluate the effectiveness of each component of the program. Districts that participated reported that at least 50 percent of the adults enrolled in classes completed the program. Staff also examined students’ report card grades before and after, achievement test scores in math and reading before and after, and records of absenteeism and discipline problems.

Provides Flexibility to Address State Needs/Priorities. The fact that states use Chapter 2 to meet state priorities and needs is well documented in our case studies. Every

state we studied, but particularly Colorado, Mississippi, and Maryland, showed evidence of responding to state priorities by either initiating a new program to meet the need or contributing funds to a state program already under way.

Provides Opportunities for Professional Development. Several of the states we studied used Chapter 2 for professional development. Vermont provides evidence on the impact of Chapter 2-funded training. An innovative component of Vermont's effective schools effort is its new strategy for evaluating student learning via portfolio assessment. Throughout 1990-91, teachers attended workshops to help them set up and use the portfolio method. Survey results from workshop participants indicated that 97 percent understood the workshop goals and 61 percent felt the goals were achieved. Other evaluation data indicated that some of the teachers needed further information or were confused about the new method. This evaluation provided useful data in helping state staff provide further training.

Supplements the Regular State Education Program. The case studies corroborated this theme. For example, in Vermont, state personnel believe that Chapter 2 funds have helped to strengthen the SEA's program leadership, services to schools, product development, public information, compliance assurance, and policy development. They feel that the most important contributions of Chapter 2 to the state's educational program have been in school improvement, assessment, effective schools, technical assistance, innovative programs, promoting best educational practices, and assisting the work of teachers. As reported in their annual evaluation, "Chapter 2 funds have achieved their general purpose as set forth in the state plan, have greatly strengthened the SEA's administrative and service capabilities, and have resulted in the development and provision of services that otherwise would not have been possible."

Promotes Use of Technology. Technology was a state priority in many of our case study states. Maryland evaluated two of its Chapter 2-funded technology investments—The Maryland Education Technology Network, or METNET, and the state's Instructional Frameworks. METNET is a computer network providing a communications service for the state agency staff, local school system central office staff, and teachers and administrators at the school building level. Instructional content-area "forums" for mathematics, science, reading, writing, health, and the environment provide a means of sharing information through the network. METNET was evaluated by documenting the total number of registered users as an indicator of clients served and by analyzing the level of system use. The evaluation showed that METNET met its

objectives to increase the number of users (1,500 teachers, 500 administrators, and 17 other state departments of education) and to expand the services and use of the system.

Maryland's Instructional Frameworks are an interactive computer and video system that augments teachers' repertoires of instructional strategies. Maryland evaluated the quality of the Instructional Framework system and materials, studied variables that affect use, and measured perceived usefulness of the frameworks as a professional development support resource. State staff administered a questionnaire to all users, conducted on-site interviews with site facilitators, and held a meeting with site representatives and other educators familiar with the frameworks. Via these multiple methods, some patterns have begun to emerge. Users reported that the program was functional and easy to use, materials were rated as "very useful" or "somewhat useful," and key implementation variables were identified.

Each of these examples from the case studies provides evidence that the themes presented above are based in reality. The examples also document that some states are conducting good evaluations of their Chapter 2 activities.

Districts' Reports of Outcomes

Because of the size of the district sample, we did not include a similar open-ended item on Chapter 2 contributions in the district survey. However, we did ask district respondents to indicate what, if anything, Chapter 2 had accomplished for their district's overall educational program in a standard closed-ended item. Table 2-10 displays the frequency of responses for each type of outcome, categorized by student outcomes, staff outcomes, and district outcomes. Districts reported outcomes for students far more frequently than staff or district outcomes. Within student outcomes, "exposing students to new materials/technology" was cited most frequently (80 percent of districts) as a Chapter 2 accomplishment, which is not surprising given the level of expenditures in the instructional materials target area (40 percent of the total district allocation; see Table 1-4). This was followed by two other student outcomes, improved student services (75 percent) and improved student performance (75 percent). Note that very large districts were the most likely to report student outcomes (over 84 percent for all three types of outcome).

According to district respondents, Chapter 2 has also had positive effects on staff. Almost one-third indicated improved staff morale, and one-fifth reported improved staff qualifications. Fewer districts overall (12 percent) said that Chapter 2 made a contribution

by paying for additional staff, although more than half of very large districts cited this as a benefit. It is very important to note that the frequency of districts reporting each type of staff outcome decreases with decreasing size of district. This pattern suggests that Chapter 2 grants must be sufficiently large to yield discernible benefits. For example, paying for additional staff is not an option for small districts that receive \$5,252 in Chapter 2 funds (see Table 1-2a).

The data also indicate that Chapter 2 funds serve an enabling function for districts themselves. More than half of all districts said Chapter 2 allowed them to continue programs and to initiate programs. A smaller but notable percentage (10 percent) reported that Chapter 2 improved district administration. Again, the likelihood of enhancing district capacity decreases with size of district and size of the Chapter 2 grant.

We now turn to the local case studies to cross-validate the survey data presented above. Like the state case studies, the district case studies did not provide an abundance of evaluation data relevant to the outcomes reported by district survey respondents. However, some evaluation data were included, and we highlight them below as they pertain to student and staff outcomes.

Student Outcomes. Our case studies are replete with examples of Chapter 2 funds being used to **expose students to new materials and technology**. Most of the local evaluations of these activities center on documentation that the materials/technology was purchased and is in place. Acacia went farther in evaluating its Project Read, a multisensory program requiring a number of materials that have a tactile element. Using materials purchased through Chapter 2, parent volunteers created homemade materials for student use. Teachers used measures of oral reading fluency to assess student progress and determined that growth was evident. Teachers reported that students enjoyed using the materials and that they demonstrated sustained attention and interest.

Lennox used part of its 1992-93 Chapter 2 allocation for a printer, a computer, and an LCD projector to create a portable teacher computer workstation, which was networked to existing computers in the schools. The resource teacher who works with classroom teachers in using the workstation said, "Chapter 2 allowed us to expand our network in each classroom so teachers could use it as an instructional resource for whole group instruction and individual instruction."

Table 2-10

LOCAL PERCEPTIONS OF CHAPTER 2 OUTCOMES

STUDENT OUTCOMES

District Size	Percent of Districts*		
	Exposed Students to New Materials/ Technology	Improved Student Services	Improved Student Performance
All districts	79.5	75.4	75.2
Very large	84.1	84.8	89.7
Large	79.4	75.1	80.4
Medium	79.7	74.1	82.7
Small	79.3	75.6	72.5

STAFF OUTCOMES

District Size	Percent of Districts*		
	Improved Staff Morale	Improved Staff Qualifications	Paid for Additional Staff
All districts	30.1	20.7	12.2
Very large	49.7	44.8	53.2
Large	36.9	37.9	36.3
Medium	31.3	25.3	15.8
Small	29.1	18.0	9.2

DISTRICT OUTCOMES

District Size	Percent of Districts*		
	Allowed District to Continue Programs	Allowed District to Initiate Programs/ Innovations	Improved District Administration
All districts	54.8	51.3	10.2
Very large	78.9	76.6	22.5
Large	68.9	66.7	14.1
Medium	60.1	57.4	12.7
Small	52.1	48.3	9.1

* Excludes districts that responded "don't know" or did not respond to the survey item.

Source: Item 18, district survey.

In terms of **improved student services**, Canfield implements The Red Flag Project, an innovative program for at-risk youth, and has evaluated the impact of that program. The program pairs a mentor case manager with at-risk students, their teachers, and their parents in an effort to ensure as many positive school experiences for these students as possible. The mentor case manager provides individual and group counseling and instructional sessions. Prescriptions for individual learning are written for each at-risk student. Students' grades are monitored every 3 weeks, and parent conferences are held as needed. The evaluation indicated that students were promoted to the next grade, a special committee composed of parents and relatives of the program students was developed, discipline referrals were 41 percent lower than the preceding year, and students were able either to maintain or improve their prior grade point averages.

Central Valley sponsors the Alternative 7 Program, a program that provides at-risk students with the opportunity to work on computer-based learning activities in basic skills and receive individualized attention to reinforce academic skills and enhance self-esteem. The overall objective of the program is to **improve student performance**. Central Valley's evaluation included multiple data on student performance, monitoring student attendance and dropout, and a survey of students and staff to assess attitudes regarding computer instruction. In 1991-92, 75 percent of the students in the program increased their academic performance by 1.5 grade levels. On average, 65 percent of students advance to the regular instructional program or the next level of alternative education program. In addition to these performance indicators, attendance rates increased and students' self-esteem improved.

Staff Outcomes. Warner was one of many districts we studied that provide minigrants to teachers. We learned through the case studies that this practice not only achieved minigrant activity goals but also frequently had the effect of **improving staff morale**. According to our case study report:

The minigrants process has given teachers different types of benefits. They feel more empowered and are more willing to seek out other options and opportunities than they were before.

Teachers' comments in the evaluation report of the minigrant activity supported these observations. One teacher noted, "The second grade team worked well together through all the stages of the process beginning with the writing of the grant." Such positive, collaborative experiences are not the norm for many teachers.

Numerous districts in our case study sample used Chapter 2 funds to **improve staff qualifications**. Bedford participated in its state's innovative Local Standards Board Initiative, which is responsible for approving teachers' individual plans for professional development that must be met for relicensure. In evaluating this activity, Bedford documented board meetings and planning activities, reviewed Bedford's Local Standards Board Initiative (BLSB) outcomes, summarized exhibitions or portfolios of staff activities submitted for relicensing, and assessed staff and board perceptions of the BLSB plan.

Bay View made a large Chapter 2 investment in professional development. According to our case study:

The Chapter 2-funded training has provided the district with a cadre of 40 to 60 individuals who have become specialists in a number of areas (e.g., alternative assessment, learning styles, multicultural instruction). These specialists are the key to the district's progress on reform and have provided the teaching staff with an avenue for professional growth. The Chapter 2 coordinator said, "It has empowered staff in a way that has allowed them to grow, and they will do more for years to come."

Using Chapter 2 to **pay for additional staff** was done more often by states than by districts (because of the level of funds involved), but some districts in our case study sample effectively used Chapter 2 funds in this way. Farmdale funded 4 teacher positions in its Gifted and Talented program (there were 10 teachers total). According to the Chapter 2 coordinator, the program "would be diminished" if he could not fund the teacher positions; the district would have to drop the four classes that these teachers cover now. Although the district did not evaluate the professional activities of the Chapter 2-funded teachers, it did evaluate the Gifted and Talented program, demonstrating that students involved in the program maintained their one-grade-level advantage over their age-mates.

We now turn to the use of Chapter 2 in ways that are not as directly effective as those reviewed in the above sections.

Less Effective Use of Chapter 2

In this section, we will review the types of activities funded by Chapter 2 that are not as readily linked to school improvement. It should be kept in mind that the Chapter 2 legislation does not prescribe specific types of activities. Outside of its supplement-not-supplant provision, it does not prohibit specific types of activities. In fact, the legislation

is intentionally broad to encourage and support local flexibility. States and districts are explicitly encouraged to use Chapter 2 funds for school improvement as they define it for their local needs. Nevertheless, it was apparent to us as we studied Chapter 2 programs at the state and local levels that some uses were more clearly linked than others to the legislative intent of school improvement. It was necessary to impose some value system on the range of activities we observed in order to differentiate "effective use of Chapter 2" from "less effective use of Chapter 2." For the purpose of this discussion, we define "less effective use" in the following way:

- Funding activities that are not linked to reform initiatives when such initiatives are under way.
- Funding activities that have little direct impact on students, instruction, school staff, or school performance.
- Funding activities that have not demonstrated effectiveness.
- Rote funding of the same activities from year to year.

All of the above are allowable under the current legislation, and the sites discussed below should not be considered out of compliance. Some of the sites we discuss have been used above as examples of exemplary practices in other areas. In many cases, effective and less effective uses are funded side by side.

Funding Activities That Are Not Linked to Reform Initiatives When Such Initiatives Are Under Way

The preceding section described the many ways that Chapter 2 is being used by both states and districts to support educational reform in their agencies. Although the Chapter 2 legislation does not specifically mention educational "reform," it does stress educational improvement and innovation. In recent years, educational improvement and innovation have come to mean educational reform. In keeping with the intent of the legislation, therefore, it is fair to expect that Chapter 2 be used in this manner. Clearly, some states—and probably more districts—have not yet become involved in reform initiatives. In these cases, it is not fair to expect to see Chapter 2 linked to reform. However, in districts and states where reform is well on its way, Chapter 2 can and should play a strong role.

Returning to Table 2-2 above, it is evident that almost all states and high proportions of districts claim to be involved in various types of educational reform. As discussed

above, Chapter 2 was frequently used by states to support some of these reform initiatives—effective schools programs, school improvement planning, revising/developing curriculum frameworks that promote higher-order thinking skills, systemic reform efforts, and school-based restructuring. But the table also shows that Chapter 2 was used by fewer than half of the states that engaged in public-private partnerships, revising/developing standards for student performance, AMERICA 2000 activities, developing alternative measures of student achievement, and developing alternative teacher/administrator certification.

Districts use Chapter 2 even less for educational reform. Whereas 69 percent of districts sponsored effective schools programs, Chapter 2 was involved less than half the time. More than 75 percent of districts engage in school improvement planning, while fewer than a third of them use Chapter 2 for this purpose. More than half of districts reported some systemic reform efforts, but fewer than one-fourth of them used Chapter 2 funds to support these efforts.

There were several clear examples in our case studies of exciting educational reform at the state and local levels that were unrelated to Chapter 2. For example, Emery Park was active in many reform initiatives emanating from the state. It was reviewing a draft of the state's Common Core of Learning and planned to implement the core curriculum in five sites when it was finalized. It was active in developing portfolio assessments and was training teachers to use the new assessments. Beyond these activities, Emery Park was selected as a New American School, a program to develop "break the mold schools." Emery Park has recently appointed a design team to decide what direction the system should follow when it receives its grant funds. According to our case study observations, Chapter 2 does not support any of these exciting educational reform activities. One possible explanation for the disassociation between Chapter 2 and reform is that Emery Park is a supervisory union. Each school in the supervisory union has its own method for deciding on the use of Chapter 2 funds. This is consistent with the state's emphasis on local control, which has a long history. The Chapter 2 administrator at the supervisory union has two functions: he is the gatekeeper of the money, and he must ensure that all of the schools' proposed programs are in compliance with the law.

Farmdale was supporting a plethora of reform initiatives. System staff claimed that they were not only aligned with the state's ambitious reform agenda, but ahead of them. The centerpiece of Farmdale's local reform initiative was its Effective Schools Process, now in its second generation. The Effective Schools Process encompasses every aspect of

schooling. Farmdale has articulated a clear set of goals and objectives and performance standards. It has set up school improvement teams, which make the majority of school-level decisions. The "first generation of effective schools" was fashioned after the correlate model of Lezotte. The "second generation of effective schools" was going beyond the correlates toward more systemic restructuring. Central office staff felt that they had taken effective schools beyond the usual model by focusing on "effective at *what*." The "what" in Farmdale is its essential curriculum. Farmdale is one of the first systems in its state to design its own set of criterion-referenced performance assessments to parallel the essential curriculum. Surprisingly, Chapter 2 has never had a role in supporting any part of this exciting reform agenda. When asked why, a central office administrator said, "It didn't matter, we just found other money from local sources. Frankly, maybe we didn't think about it enough."

Texas provides an example of the same phenomenon at the state level. Its new reform-oriented commissioner has brought with him a proactive, state-of-the-art reform agenda, characterized by a concentration on student equity, excellence, increased achievement for all students, and professional development. Reform in Texas means making whatever changes are necessary to realize these goals. The commissioner was restructuring the agency and changing the way the agency related to locals to better meet these priorities. Another force for change in Texas is the new legislative requirement for school-based decision making. As of 1991-92 and 1992-93, Chapter 2 funds were supporting 16 activities, most of which were unrelated to the new reform agenda. Chapter 2 funds were used for the Texas Renewal Initiative (TRI), which funds 20 regional educational service centers to provide technical assistance to the 12 lowest-performing schools in their region. But the TRI predated the new reform initiatives. From our observations, it appeared that, at this time, Chapter 2 was neither driving nor being driven by the new state reform agenda.

Funding Activities That Have Little Direct Impact on Students, Instruction, School Staff, or School Performance

In its broad scope and flexible regulations, Chapter 2 does not make clear demarcations about what Chapter 2 funds should and should not be used for. In fact, many of our case study participants pointed this out as an advantage of the program—the "target areas" allow you to fund virtually anything. Using Chapter 2 to fund instructional materials, particularly library materials, has been a controversial issue since the program's reauthorization. Many believe that funding instructional materials represents an

opportunity cost—those funds could be “better” spent on programs for students or staff. Others view funding instructional materials as a carryover from antecedent programs, particularly the School Library Resources Program (Part B, Title IV, ESEA), that misses the intent of the current Chapter 2 program to support educational innovation and improvement. However, the Chapter 2 legislation does include a target area specifically for the acquisition and use of instructional and educational materials and gives one of the purposes of the program as “support for library and instructional materials.” [P.L. 100-297, Section 1501 (b)].

Nonetheless, it is our opinion that using Chapter 2 funds to purchase instructional materials, especially when those purchases are not clearly related to specific instructional programs, does not constitute the most effective use of Chapter 2. We will first review the extent to which Chapter 2 funds are used in this manner. We will then describe several cases where materials/equipment purchases constituted 100 percent or a very high percentage of a district’s allocation and explore the rationale behind those purchases. Finally, we will review other types of Chapter 2 investments that are equally culpable of not having a direct impact on students, instruction, school staff, or school performance.

As we saw in Section 1, the highest percentage of local Chapter 2 funds (40 percent) is spent on Target Area 2: Instructional Materials (see Table 1-4, Section 1). District size affects the level of funds allocated to instructional materials: very large districts allocated 23 percent, large districts allocated 38 percent, medium districts allocated 56 percent, and small districts allocated 54 percent. It is no wonder that Chapter 2 is often considered a “materials program” at the local level. In contrast, states tended to allocate very low levels of funds to instructional materials, averaging 7 percent of their total allocation.

States and districts spent their materials dollars on different types of purchases. States tended to support computer networks (51 percent), distribution of materials (42 percent), and distance learning systems (40 percent) (see Table 2-11). Approximately one-third supported materials repositories and review of materials.

Eighty-four percent of districts nationally used Chapter 2 for some type of materials purchase. Among this group, the highest percentage reported buying computer hardware and software (72 percent), followed by reference/library books (52 percent) (see Table 2-12). Lower but substantial percentages bought audiovisual equipment and materials (26 percent) and generic materials and supplies (18 percent).

Going beyond what was purchased to how it was used, we looked at the ways districts reported using computer hardware and software. It appears that computers/software are most often used for instruction (69 percent of the districts that purchased computers/software; see Table 2-13). However, the equipment is also used for non-instructional purposes such as information retrieval (34 percent), upgrading or replacing old equipment (25 percent), instructional management (13 percent), and administration (4 percent). It is heartening that computers and software constitute the most popular type of instructional materials purchase and that they are most frequently used for instruction.

Four of the districts we studied spent unusually high levels of Chapter 2 funds on instructional materials. Lennox has spent 100 percent of its Chapter 2 allocation on instructional materials since 1988. In 1991-92, Chapter 2 was used to buy highly specialized computers for the high school drafting program, 16 Macintosh computers for three elementary schools that were identified as having the greatest need, and circulation hardware for the library. This district used its 1992-93 Chapter 2 funds for computer purchases as well. It bought a teacher computer workstation consisting of a printer, a computer, and an LCD projector on a cart, and 6 CD-ROMs for the library/media program. The district superintendent explained that the district used Chapter 2 for technology purchases because these items are "easy to knock out of the budget; they are not political. People are not laid off if you eliminate hardware." Chapter 2 funds were a way of protecting technology purchases, a priority for this district.

Adams also spent 100 percent of its 1991-92 Chapter 2 funds on instructional materials. It purchased calculators and microscopes as part of its effective schools effort. In their state application, district staff reasoned that "acquiring materials, training teachers on their effective use, and implementing said materials [would] aid in the overall improvement of our plan for more effective schools." Our case study of this district did not indicate that the calculators or microscopes were part of any coherent "effective schools program," although they were undoubtedly useful to students in their math and science classes. Not all the district's Chapter 2 funds were used for instructional materials in 1992-93. Eighty percent went toward a new offset printing press and support equipment for the high school. According to the application for Chapter 2 funds, "the purpose of this program is to provide students with the opportunity to expand their knowledge in Graphic Arts and to further provide opportunities for all Adams High School students in technology education." However, the cost proposal gave the purpose

Table 2-11

**LEVEL OF SEA CHAPTER 2 FUNDING FOR STATE PROGRAMS
USING INSTRUCTIONAL MATERIALS**

<u>Program Using Instructional Materials</u>	<u>Percent of SEAs*</u>
Computer networks	51.0
Distribution of materials	41.7
Distance learning systems	40.0
Review of materials	34.0
Repository for materials	31.9
Educational television	26.5

* All 52 SEAs responded to this item.
Source: Item 23, state survey.

Table 2-12

**TYPES OF MATERIALS AND EQUIPMENT SUPPORTED BY
LOCAL CHAPTER 2 FUNDS IN 1991-92**

District Size	Percent of Districts*							
	Computer Hardware/ Software	Reference/ Library Books	AV Equip./ Materials	Other Materials/ Supplies	Video- disc Equip.	Other Equip.	Telecommuni- cations Equipment	Text- books
All districts	71.7	51.7	25.8	17.6	10.2	7.5	5.8	5.1
Very large	87.0	72.4	62.9	41.4	37.8	11.5	25.3	15.2
Large	77.4	69.2	49.6	27.1	25.9	6.6	15.4	12.1
Medium	76.2	56.4	33.0	21.0	16.3	6.3	6.0	6.4
Small	69.8	48.9	21.5	15.6	6.9	7.8	4.8	4.1

* Based on the 84% of districts that purchased materials/equipment with Chapter 2 funds.

Source: Item 15, district survey.

Table 2-13

PRIMARY LOCAL USE OF COMPUTER HARDWARE AND SOFTWARE

Percent of Districts*

District Size	Instruction	Drill/Practice Noncomputer Courses	Information Retrieval	Computer Literacy/ Programming Courses	Upgrade/ Replace Current Equipment	Instructional Management	Adminis- tration	Other
All districts	68.6	33.9	34.1	31.9	24.6	13.0	4.4	4.3
Very large	86.1	34.0	55.3	33.3	26.9	22.1	8.1	2.3
Large	86.5	31.1	46.5	29.1	20.7	22.4	7.5	4.9
Medium	79.0	37.4	35.7	35.8	22.0	17.6	4.9	3.8
Small	63.7	33.0	32.4	30.7	25.6	10.8	3.9	4.5

* Based on 72% of districts that reported purchasing computer hardware and/or software with Chapter 2 funds.

Source: Item 16, district survey.

as: "for the expansion of the Graphic Arts Program to handle additional printing of school and board materials." This district now has a new superintendent, who is shifting the use of Chapter 2 funds toward more instructionally relevant purposes.

Warner spent 68 percent of its Chapter 2 allocation on instructional materials. Each school's media center received an allocation of \$1 per student for materials such as software, videos, filmstrips, CD-ROMs, and audio cassettes. Other materials dollars went to the math curriculum committee for the purchase of math manipulatives to supplement the new math curriculum. The manipulatives ranged from unifix cubes to geoboards and calculators. The district put remaining Chapter 2 funds toward the development of a program for at-risk students and minorities for teachers to encourage innovation and experimentation.

Materials acquisitions are not the only type of Chapter 2 expenditure that does not have a direct impact on students, instruction, school staff, or school performance. There were a variety of examples throughout our case studies of "questionable" uses of Chapter 2. These uses were not illegal, but it was a stretch to interpret them as contributing to educational improvement or innovation. They were most often intermixed with other, more effective uses of Chapter 2. For example, among its other activities, Texas funded an educational service center to develop a database of teachers and teacher candidates in order to enhance teacher recruitment and retention, a small pilot of the Public Education Information Management System (PIEMS) in five districts, and two evaluation studies conducted by the SEA. Mississippi spent Chapter 2 funds to support the state media center (among other uses). Emery Park used some of its Chapter 2 funds to pay for a part-time librarian. Acacia used a portion of its Chapter 2 funds to supplement the district resource and materials budget. None of these expenditures are necessarily inappropriate, but they are not as directly linked to school improvement and innovation as are other uses of Chapter 2 funds.

Funding Activities That Have Not Demonstrated Effectiveness

Evaluation has only recently become a standard activity for Chapter 2-funded programs. The year 1992 was the first time that states were required to submit a state self-evaluation of effectiveness covering both state and local Chapter 2 activities. Although states have been required to monitor local Chapter 2 programs, this does not usually entail an evaluation of outcomes. Before discussing the dearth of Chapter 2

evaluation data, we would like to point out the difficulties associated with Chapter 2 evaluation.

Evaluation of Chapter 2 programs is problematic for several reasons. First, Chapter 2 is not a program. It is a source of funds that are most often used as supplemental resources for other programs or activities. Thus, "evaluating Chapter 2" is, in effect, evaluating whatever program Chapter 2 is funding or partially funding. In theory, one might attempt to identify the proportion of funding that Chapter 2 contributes to a program and attribute program effects proportionately to Chapter 2 on that basis. But this approach raises problems of its own. First, very few Chapter 2 administrators at either the state or local level can identify the relative fiscal contribution of Chapter 2 to any program or activity it funds (unless Chapter 2 funds it 100 percent). They may know how many Chapter 2 dollars were used, but not what percentage of total funding they represent. Any data we were able to get were sheer estimates, and only two of the six states we studied even felt comfortable estimating. Second, programs are holistic entities. Their outcomes cannot be fractionated and attributed to discrete sources of funding. The question then becomes: was the program effective? For evaluation purposes, no distinctions can be made between programs with 5 percent Chapter 2 funding and 100 percent Chapter 2 funding. Both types of programs get 100 percent of the credit (or blame) for program effects (or lack thereof).

The second evaluation quagmire for Chapter 2 is that Chapter 2 funds represent a relatively low level of funds. As noted in Section 1 (Table 1-1), Chapter 2 accounts for less than 0.5 percent of any state's education budget. The median level of Chapter 2 funds at the local level in 1991-92 was just \$8,410 (see Table 1-2a). This means that resources for evaluation are virtually nonexistent. States and locals are much more likely to put scarce evaluation resources and expertise into their highly visible, highly funded programs.

The third evaluation issue pertains to the expertise and experience of Chapter 2 staff and the percentage of their time devoted to Chapter 2. We found that, even at the state level, most coordinators of Chapter 2 had other departmental responsibilities. At the local level, except for very large districts, Chapter 2 coordinators wore many hats. These individuals are typically not based in research and evaluation divisions and do not have evaluation skills themselves. Thus, they are often at a loss when it comes to conducting an evaluation. They typically fall back on informal evaluation data or the belief that the program is worthwhile. Despite these barriers, states and districts have attempted evaluation of Chapter 2 programs, with mixed success.

In conducting a meta-analysis of the states' self-evaluations (findings are reported in *Summary of Chapter 2 State Self-Evaluations of Effectiveness*, Hawkins, Ruskus, and Wechsler, May 1993), we found that only one-fourth of the 200 individual evaluations submitted by states (most states reported on multiple evaluations) were methodologically adequate and complete. This subset of evaluations were based on sound methods (i.e., good evaluation designs, representative samples, and appropriate instruments) and addressed program effects. The majority, however, were methodologically weak, presented no data, or consisted of compilations of activity descriptions. Further, as we pointed out in our summary, the fact that the evaluations were self-evaluations, rather than external evaluations, raises concerns about bias. State evaluators were free to select which programs they evaluated, how to conduct their evaluations, and which (if any) data to report. Naturally, states had an interest in showcasing their most successful programs. Thus, the fact that the self-evaluations were overwhelmingly positive is not surprising. Although the self-evaluation requirement was well-intentioned, it did not yield high-quality evaluation data.

Aside from this self-evaluation requirement, states are required to monitor their local Chapter 2 programs. Most states (42 percent) reported that they conduct on-site reviews every 3 years. We learned via our case studies that this review is focused primarily on compliance issues, not program effectiveness. The most common way that SEAs monitor their local programs is by reviewing their applications (92 percent do this yearly). However, the applications have no data on the outcomes of previously funded activities. Three-fourths of SEAs reported reviewing written evaluations from their locals. Again, our case studies indicated that these "evaluation reports" were generally no more than two-page forms. Thus, we found no evidence that local Chapter 2 programs were rigorously evaluated by their SEAs.

The survey data indicate that most districts conduct evaluations of their own Chapter 2-funded activities. More than three-fourths reported doing so in 1991-92. Of this group, nearly three-fourths collected informal feedback (e.g., nonsystematic observations of the program, staff's impressions of the program, anecdotal accounts of program effects) (see Table 2-13). The next highest percentage (nearly half) said they simply counted participants or purchases. Fewer than a third summarized self-evaluation data, and only 13 percent conducted formal evaluations. Thus, although the majority of the districts at least thought about evaluation at some level, far fewer (10 percent of all

districts) actually engaged in the type of evaluation that has potential for yielding meaningful results.

The case studies provide evidence that Chapter 2 is used to fund some programs with little or no evidence of effectiveness. One state said that it did not evaluate any of its state-level Chapter 2 activities, and its state self-evaluation of effectiveness included only local activities. This state apparently is not alone. In reviewing the state self-evaluations of effectiveness, eight other states did not evaluate their own agency activities. The state first mentioned tended to fund some activities year after year without any evaluation data.

Several districts in our case studies had very superficial evaluations or none at all. According to our case study report of Fremont, "the first ever evaluation of Chapter 2 is currently under way. Earlier anecdotal data existed on individual projects, but that information had never been systematically gathered or compiled." Like many districts, Green Oaks defines evaluation in terms of implementation only. The state requires that the district submit an evaluation plan, but it is not required to submit an evaluation report. The district operates on the assumption that if staff are able to acquire the materials that they want and if those who want staff development opportunities get them, Chapter 2 funds have been well spent. Packwood is another example of a district that collects no evaluation data on the activities it funds with Chapter 2. Evaluation data are collected on some of the activities that Chapter 2 funds support, but the contribution of Chapter 2 cannot be isolated. (This is actually a common problem across most Chapter 2 evaluations, as noted above.) Adams is a good example of the type of informal evaluation data that many districts seem to rely on. It noted in its "evaluation report" that:

Overall, the program proved to be effective. Local use of math and science equipment aided greatly in the testing program. Classroom use of equipment allows for up-to-date instruction.

There is no indication of how the district arrived at this conclusion and no evidence that the original evaluation plan submitted to the state (which looked appropriate) was ever implemented. A final example of the dearth of evaluation data is Emery Park. This district included one or two sentences at the end of each of its 31 activity descriptions to indicate effects. With respect to "Project 7,"

Chapter 2 funds were used to hire a part-time librarian. We also purchased new library books. Students benefited by enjoying the new books and the librarian was there to help them.

Table 2-14

LOCAL METHODS FOR EVALUATING CHAPTER 2 ACTIVITIES

District Size	Percent of Districts*				
	Collected Informal Feedback	Compiled Counts of Purchases or Participants	Summarized Self-Evaluation Data	Conducted Formal Evaluation	Wrote Descriptions of Exemplary Programs
All districts	71.4	49.3	31.1	12.6	7.4
Very large	79.5	73.4	61.1	35.3	35.0
Large	77.8	61.5	47.0	25.3	18.9
Medium	74.1	56.7	35.9	19.7	11.0
Small	69.8	45.4	27.6	8.8	4.7

* Based on the 77% of districts that evaluated Chapter 2-supported activities.

Source: Item 24, district survey.

Rote Funding of the Same Activities from Year to Year

A prevalent theme across our case studies was continued funding of the same activities year after year. This trend is substantiated by the survey data. Table 2-8 (see above) shows that nearly all states (98 percent) use Chapter 2 as a source of continuation funding for existing Chapter 2 programs. This is the most common use of Chapter 2 funds for both states and districts (53 percent of districts use Chapter 2 as a source of continuation funding for existing Chapter 2 programs). Higher percentages of very large and large districts engage in this practice, at rates similar to those of states.

We consider this a less effective use of Chapter 2 because the programs we studied that used Chapter 2 in this way did not demonstrate that they had thought carefully about the appropriateness of continued funding. Rather, it appeared that the use of Chapter 2 had become "institutionalized." Staff gave little thought to other potential uses of Chapter 2 or alternative sources of funding for programs carried by Chapter 2. When questioned about this practice, many local Chapter 2 coordinators said that they continued funding programs simply because that was what their district had always done. For example, Farmdale has funded the Gifted and Talented program and no other activities since 1988, despite the fact that the district is engaged in a number of innovative reform programs (e.g., creating its own set of performance-based assessments). According to central office staff, the parents of students in the gifted program are the most politically active in the system. "No one ever considered touching the Gifted and Talented program. We felt the Chapter 2 funding of the program was sacred." From the perspective of district staff, using Chapter 2 funds for this program ensured its continuation.

Emery Park used Chapter 2 funds to begin several programs a number of years ago, such as poet in residence, artist in residence, and dance performances, and has kept funding the programs with Chapter 2 year after year. A recommendation made as a result of its most recent Chapter 2 monitoring visit was that it "give serious consideration to the possibility of using local funds to contract some of the local artists and use Chapter 2 funds as seed money to start new initiatives." In this state, the SEA has emphasized to the locals that Chapter 2 was to be used as seed money, and it placed a 3-year limit on LEA spending on any particular program.

Lennox is another example of habit funding. According to district staff, Chapter 2 funds have been used to supplement the district budget for nonprogram items all along. Recently, they have shifted their materials purchases from audiovisuals and books to

technology. When asked why they continued to fund materials and equipment, rather than programs, staff responded that they "decided to build on what was done in the past." This makes some sense if indeed a program is being built, but we had the impression that continued funding of materials served to maintain the status quo and keep the supply shelves stocked.

Fremont's funding philosophy as of 1991-92 was that only continuing projects under continuing district priorities received Chapter 2 funding. Two examples were the multicultural awareness program, which predates the availability of Chapter 2 by almost a decade, and the media center. Both have received continuous Chapter 2 funding. The district's Chapter 2 policy is to fund effective and visible programs.

Although the quantitative data in Table 2-8 indicate that states are more likely than districts to use Chapter 2 as a source of continuation funding, our case studies did not yield any strong examples. The reason may be that one of our case study selection criteria was innovative use of Chapter 2. Aside from discretionary grants, the majority of state Chapter 2 funds in Maryland are used to continue programs funded by Chapter 2 in prior years. All of the 13 programs funded in 1992-93 were also funded in 1991-92. It was unclear how far back Chapter 2 funding went (this was generally true everywhere). There are undoubtedly many states not included in our case studies that would provide clearer examples of the type of habitual continuation funding described above at the local level.

Summary

The data presented in this section suggest several themes regarding the use of Chapter 2 for educational improvement. It is clear that Chapter 2 supports reform at both the state and local levels. However, in most cases Chapter 2 funds have not been the impetus for state/local reform; rather, they are used as a convenient source of funding **after** the agency has committed to the reform effort. Chapter 2 activities can be linked to the National Goals, but they are generally not specifically designed or funded to do so. Finally, some states and districts are engaged in reform initiatives that are not supported with any Chapter 2 funds.

The principal way that Chapter 2 is used to support educational improvement is by funding activities related to local and state priorities. Support of state and local goals for education, both formal and informal, was far more prevalent than the use of Chapter 2 for

reform initiatives. The flexibility of Chapter 2—its distinguishing feature—makes it well suited for meeting the changing needs of states and districts.

Most states and districts do not target Chapter 2 funds to any particular group of students. Of those that do target students, at-risk/high-cost students are typically the recipients of services. However, Chapter 2 activities do not reflect a singular emphasis on at-risk/high-cost students, particularly at the district level.

Although most uses of Chapter 2 are related in some way to school improvement, we did find that Chapter 2 continues to fund some programs/activities that are not directly related to students, instruction, teaching, or school performance. This practice was more prevalent at the local level than at the state level.

A ubiquitous problem across Chapter 2 programs is the lack of good evaluation. This was documented at the state level in our review of the state self-evaluations of effectiveness (*Summary of Chapter 2 State Self-Evaluations of Effectiveness*, Hawkins, Ruskus, and Wechsler, May 1993). At the district level, evidence of program impact is generally limited to informal data. The lack of evaluation data is compounded with the fact that many states and districts continue to fund the same activities from year to year.

3 FEDERAL INFLUENCE AND ROLE

As previously discussed, the 1988 Hawkins-Stafford Amendments introduced several innovative features intended to make Chapter 2 a more effective vehicle for educational reform and instructional improvement. The Amendments mandated targeted assistance areas for Chapter 2 projects, an SEA set-aside for effective schools, and augmented accountability requirements. These provisions and others were expected to better focus Chapter 2 on educational innovation, enhancement, and improvement. However, the study findings suggest that although SEAs and LEAs are conscientiously implementing the new Chapter 2 requirements, changes to the overall program are not very striking.

In our district survey of Chapter 2, two-thirds of districts claimed that the 1988 Amendments did not influence their use of Chapter 2 funds (see Table 3-1). Larger districts were more likely than smaller districts to report being influenced by the Amendments. In contrast, our survey of state Chapter 2 coordinators revealed that use of state Chapter 2 funds was influenced a great deal by requirements of the Chapter 2 program (see Table 2-4). Nearly three-quarters (73 percent) of SEA respondents indicated that Chapter 2 requirements greatly influenced their use of state Chapter 2 funds; no respondent indicated that his or her state's Chapter 2 program was not at all influenced by the requirements.

This section uses both survey and case study data to explore ways in which the federal government, through the Hawkins-Stafford Amendments, influenced the Chapter 2 program. It discusses changes in the implementation of Chapter 2 with regard to the new provisions for targeted assistance areas, SEA effective schools set-aside, and enhanced evaluation requirements. It also discusses continued provisions in the law, primarily supplement-not-supplant. The chapter concludes with a discussion of SEA and LEA perceptions of federal guidance.

Target Areas

Impact of Target Areas on Chapter 2 Activities

The targeted assistance areas were established to make Chapter 2 "a better vehicle for school improvement by recasting the uses of funds in general terms, but with an

Table 3-1

**EXTENT TO WHICH 1988 AMENDMENTS INFLUENCED
LOCAL USE OF CHAPTER 2 FUNDS**

District Size	Percent of Districts*			
	Not at All	Some	Quite a Bit	A Great Deal
All districts	66.1	23.2	6.4	4.3
Very large	42.0	39.3	12.0	6.7
Large	48.8	33.3	11.6	6.3
Medium	58.3	29.9	7.7	4.1
Small	70.2	20.2	5.5	4.1

* Excludes districts that responded "don't know" or did not respond to the survey item.

Source: Item 8, district survey.

identifiable theme of improving quality and promoting innovation" [H.R. Rept. 95, 100th Cong., 1st Sess. 50(1987)]. The target areas were intended to ensure that Chapter 2 funds addressed specific needs that state and local budgets were not able to meet, rather than being used for general education purposes. As stated in the Senate Report, "a more targeted definition of permissible use of funds under Chapter 2 will make clear that the goals of Chapter 2 should be consistent with the traditional federal role in education: that of protecting underserved populations and addressing national priorities, including reform and improvement" [S. Rept. 222, 100th Cong., 1st Sess. 25(1987)].

Our case study data suggest that the establishment of the target areas had only a sporadic effect on Chapter 2 programs. The ability of sites to incorporate existing Chapter 2 projects into the target areas, district policies that limited Chapter 2 activities, and the forward thinking of district staff all decreased the influence of the target areas.

Several of the sites were able to categorize their existing Chapter 2 programs into the new target areas without making any programmatic changes. The Vermont SEA had to do some budget shifting to fit its activities into the appropriate target areas, but overall its programs did not change substantially. Similarly, in the district of Farmdale, the LEA used Chapter 2 to support gifted and talented programs both before the 1988 Amendments and afterward. The reauthorization had no impact on the district's program because its activities fit into the established target areas.

Several sites faced district policies that limited Chapter 2 activities. For example, in Green Oaks, the district has not allowed the schools or itself to use funds in any of the target areas except for materials acquisition and professional development. Because of these constraints, the introduction of the target areas had little, if any, effect on district expenditures.

In other sites, district personnel were one step ahead of federal policy, with Chapter 2 staff already steering their activities toward more diverse or innovative areas. District staff in Canfield believed that their current at-risk program would have evolved even without the prompt of the target areas. The forward thinking of district planners, not the target areas, carried their Chapter 2 programs ahead.

For those districts whose Chapter 2 programs were affected by the establishment of the target areas, two primary areas of change were reported. Some districts broadened their view of Chapter 2 by focusing on the many appropriate uses of Chapter 2 funds and

consequently initiating activities in a number of different target areas. For example, before the 1988 Amendments, Chapter 2 funds in Acacia were never used to support at-risk students. However, with the advent of the target areas, district personnel became more aware of the alternative uses of Chapter 2 funds and decided to focus a portion of their grant on this population. Other districts also reported that Chapter 2 dollars were providing support to more areas because of the target areas.

A second, more focused change generated by the Amendments was in the types of equipment and instructional materials purchased with Chapter 2 funds. Before the 1988 Amendments, districts purchased equipment such as audiovisual equipment, 16 mm projectors, and overhead projectors. However, the 1988 Amendments specified that equipment could not be purchased for its own sake—it had to be part of a larger educational program. Consequently, districts have been purchasing more instructional equipment, such as computers with educational software and other equipment directly tied to a specific educational or instructional purpose.

The establishment of the target areas affected SEAs differently than LEAs. In general, states put a greater emphasis on effective schools programs after the 1988 Amendments. This change could be due to a requirement that states use a minimum of 20 percent of their Chapter 2 funds for effective schools programs. (This requirement is discussed in detail below.) Other SEA changes included the realignment of Chapter 2-supported staff to fit more closely with the target areas and the movement away from strengthening activities (i.e., activities related to the general functioning of the SEA). As an example of a combination of these changes, the Texas SEA has replaced all of its strengthening activities with projects that focus almost completely on improvement at the school level.

Usefulness of Target Areas

“Congress sought to enhance the effectiveness of Chapter 2 funds by targeting the use of those funds” (Federal Register, 1989). We explored cases in which the classification seemed inappropriate, similar activities were appropriately classified under different target areas, and the classification of target areas changed from year to year. We also explored cases where state or local policies limited the use of the target areas. All of these illustrations portray the limitations of the Chapter 2 target areas.

Have the target areas been useful additions to the Chapter 2 program? A careful look at the descriptions of activities funded under each of the target areas, presented in the

introduction to this report, reveals that the six specified areas may not be so "targeted." After all, the range of activities funded under each target area is so broad that the target areas carry little meaning. One problem is the inherent overlap in their coverage. According to one respondent to the state survey:

The current Targeted Assistance Areas (TAAs) are appropriate in that they allow Chapter 2 to support and supplement school improvement activities as determined by LEAs and SEAs. However, the difficulty is that the existing TAAs are so broadly defined and so unnecessarily duplicative and overlapping. Separating, classifying, and reporting state and local activities by the current TAAs ignores the actual way in which activities are planned and implemented. For example, if an LEA wants to use Chapter 2 to begin a program to train and equip teachers to use computers with poor performing students, it could be considered an at-risk students project (TAA1), an acquisitions and utilization project (TAA2), a school improvement project (TAA3), a training project (TAA4), or a program to improve educational programs (TAA6).

This inherent overlap was apparent in many of the projects we observed for the case studies. In Adams, one school used its Chapter 2 grant for professional development in authentic assessment, conflict resolution, and thematic units. Although this project was appropriately classified under innovative projects because the teachers were using the training to implement new school programs, it could also appropriately fit under the target area for professional development. In another example, Bay View used Chapter 2 to fund a storyteller to visit each third- through fifth-grade classroom to support the oral-development strand of the curriculum. The activities provided cultural enrichment to low-income students by highlighting stories from many ethnic groups. Consequently, this project was classified under the target area for at-risk students because they were the focus for the project. In contrast, Skyline funded a similar program of bringing in performers and artists to expose at-risk students from very rural areas to forms of art they otherwise might not see. Skyline's program, however, fell under the target area for programs to enhance personal excellence of students and student achievement. From these two examples alone, it is clear that the target areas are duplicative. When similar activities can be classified in several of the target areas, the usefulness of the target areas becomes questionable because they overlap and have no clear domains.

The obscure nature of the target areas was clearly revealed in a single district's program. Maple funded three similar minigrant projects to enhance science instruction. Ironically, each fell under a different target area: schoolwide improvement, programs for at-risk students, and materials and supplies acquisition. Although this funding scheme

sounds rather capricious, there was a legitimate argument for each of the three classifications.

The way that SEAs and LEAs classify their Chapter 2 activities into target areas can be somewhat haphazard. In several instances, we found cases where activities funded under one target area were funded under a different target area the following year. In 1991-92, Maryland used Chapter 2 funds under the target area of professional development for its SEA Headquarters In-service Education/Staff Development/Computer Laboratory. As part of this program, two types of training were included: (1) computer-related training for SEA staff at both introductory and advanced levels, and (2) required training programs for SEA staff to ensure compliance with state requirements and mandates of the Required Training Programs. The following year, this professional development program was classified as an effective schools program. Similarly, the SEA used Chapter 2 to fund the state's leadership program. These funds were used to provide leadership conferences, retreats, and follow-up activities (e.g., work of subcommittees and task forces) on a statewide basis for issues affecting the working relationships of the SEA and LEAs. Again, in 1991-92 this program was targeted under professional development, but in 1992-93 it was targeted as an effective schools program. Likewise, Leland began a new innovative program in 1992-93; however, this program mostly reflected shuffling of programs previously funded under materials acquisition and professional development.

During our site visits, we also observed cases in which the classification of activities into certain target areas was quite dubious. In 1991-92, Adams used Chapter 2 funds to purchase calculators and microscopes, which were categorized as an effective schools program. According to the application, "acquiring materials, training teachers on their effective use, and implementing said materials [would] aid in the overall improvement of our plan for more effective schools." The fact that the equipment purchased included calculators and microscopes helped the district to build the argument that the program promoted higher-level skills. However, there was no evidence that the equipment was part of any coherent effective schools program

In 1992-93, the same district allocated 80 percent of its Chapter 2 funds to purchase a new offset press and support equipment for the high school, which was categorized as an innovative program for technology education. It appears that this was a clear mislabeling of a major equipment purchase as an innovative program.

The target areas also lose some influence because of state and local policies. For example, one SEA required LEAs to identify just one target area for the purposes of the annual report because they claimed it was too difficult to keep track of expenditures otherwise. This was required by the state even though LEAs may have had several different projects that would have been better classified in different target areas. Similarly, as mentioned earlier, Green Oaks has not allowed the schools or itself to use funds in any of the target areas except for materials acquisition and professional development. Policies such as these minimize the possible influence of the target areas.

Commenting on the appropriateness of the target areas, case study interviewees echoed the sentiment that the target areas did not serve as a strong focusing agent. Many of the Chapter 2 coordinators said that the target areas were so broad that they did not put any constraints on the Chapter 2 programs. According to the Chapter 2 coordinator in Skyline, "the target areas are so general they are wonderful. You could justify any creative program if you put your mind to it. It gives us flexibility and that is good." This belief was repeated by the Chapter 2 coordinator in Lennox who said that the target areas are broad enough so that "you can do whatever you want."

Most Chapter 2 coordinators in the case study districts reported that they did not feel any restrictions from the established target areas in how they spent their Chapter 2 funds, and it is precisely this flexibility that makes Chapter 2 so appealing at the local level. Principals appreciate the flexibility of the target areas because they are able to support any program they see fit to address local needs. In fact, some districts do not even use the target areas as the basis from which to plan their programs. Warner first determines how best to use its Chapter 2 funds and then places the allocations in the most appropriate target areas. Similarly, in Canfield, the district plans whatever activities it desires and then makes its expenditures fit into the target areas.

The target areas are broad, vague, and overlapping. Their purpose is to enumerate how to use Chapter 2 funds to improve educational systems without unduly burdening districts. Our case study data found that although the target areas did not present any constraints on the Chapter 2 program, neither did they direct districts toward improvement activities. As described earlier, the target areas did spark ideas in some districts. More often, however, they did not function in any way as a guiding factor for districts in deciding how to spend their Chapter 2 funds.

Set-Aside for Effective Schools Program

The 1988 Hawkins-Stafford Amendments specified that SEAs must use at least 20 percent of funds available for state programs for effective schools programs. In 1991-92, SEAs overall allocated 22 percent of state Chapter 2 funds for effective schools programs (see Table 1-3). The mean SEA allocation for effective schools programs was \$309,198. Of all the target areas, effective schools programs received the highest percentage of state funds, closely followed by Chapter 2 program administration.

An earlier study conducted by SRI International on effective schools provides some insight into the history of state effective schools programs and the federal influence on those efforts (Shields et al., 1993). According to the previous study, SEA support for local effective schools programs dates back to the late 1970s. Since then, all of the states have begun programs to support school-based reform efforts, with 49 percent of states doing so since the 1988-89 school year.

The earlier study revealed that the state reform activities were influenced at least somewhat by the Chapter 2 effective schools mandate. For those states that began their school-based reform efforts after passage of the federal legislation in 1988, state respondents reported that the Chapter 2 requirement was the most important reason for beginning their program. The study cautioned, however, that despite evident correlations between the Hawkins-Stafford Amendments and shifts in state actions, methodological constraints prohibit isolating the effects of Chapter 2 apart from the broad array of reform efforts under way during the same period.

The current study supports the argument that the 1988 Amendments had at least some influence on state support of effective schools programs. According to the state survey of Chapter 2 coordinators, all SEAs reported changes in their use of Chapter 2 funds as a result of the 1988 Amendments. The most frequent changes reported were in Chapter 2 staff assignments and/or Chapter 2 funding of positions and shifting away from "strengthening activities" (i.e., activities related to the general functions of the SEA). The third most frequent change, though, reported by more than three-quarters of SEAs (78 percent), was in placing a greater emphasis on effective schools programs (see Table 3-2). When asked to describe Chapter 2's most important contribution to the state's educational program, one Chapter 2 coordinator noted that "the state set-aside provided resources that enabled us to begin our efforts in school reform through the effective schools initiatives in Chapter 2."

The Chapter 2 legislation is very specific in defining effective schools according to the correlates identified in the "effective schools research." However, as noted in Section 2 of this report, very few SEA Chapter 2 effective schools programs reflect that model. Since the time that the effective schools prototype was established, the movement of school-level reform has evolved beyond the correlate-based model.

In our case studies, we saw a wide range of effective schools programs implemented by the SEAs. Some were very directed, encompassing only one component. Consider, for example, the effective schools program funded by Indiana. Chapter 2 supported the effective schools efforts by supporting the performance-based accreditation section of the SEA, whose accreditation criteria are based on effective schools correlates. Schools are required to develop school improvement plans and must be accredited every 5 years. Chapter 2 dollars funded staff who provided technical assistance to schools that were going through the accreditation process and needed help with the effective schools correlates on which the accreditation is based. Chapter 2 activities involved planning and conducting professional development and training activities, promoting awareness of effective schools research and model effective schools programs (more in the vein of restructuring than strictly effective schools), and developing and disseminating educational materials related to effective schools programs.

In contrast to Indiana's single-component effective schools program, Maryland allocated 84 percent of its Chapter 2 funds for effective schools programs, which consisted of several activities:

- As part of the Maryland School Performance Program (MSPP)—the nuts and bolts of Maryland's reform program—Chapter 2 funds were used to provide schools with assistance in "daily instruction/assessment and criterion referenced tests and to support state committees to develop products in areas of data identification."
- Chapter 2 funds provided the necessary administrative support in addition to 1.5 state positions for the "statewide leadership" needed to conduct the Maryland Assessment Center Program, an assessment center for potential school administrators.
- Chapter 2 funds were used to "train and retrain state staff, school staff, and other staff and to provide funds for Charter schools" as part of the state's Schools for Success program. Schools for Success is the umbrella under which the MSPP and all the other state reform programs are organized.

Table 3-2

**CHANGES IN SEA USE OF CHAPTER 2 FUNDS INFLUENCED
BY THE 1988 HAWKINS-STAFFORD AMENDMENTS**

Type of Change	Percent of SEAs*
Aligned staff assignments and/or funding of positions with Chapter 2 requirements	84.3
Shifted away from "strengthening activities"	82.4
Put greater emphasis on effective schools programs	78.4
Initiated new activities/programs in other targeted areas	52.9
Increased emphasis on evaluation of Chapter 2 activities	51.0
Increased emphasis on technical assistance to LEAs	45.1
Discontinued 100% Chapter 2 funding of state-mandated programs/services	45.1
Discontinued funding of programs unrelated to school improvement	41.2
Other changes	2.0

* All 52 SEAs responded to this item.

Source: Item 24, state survey.

Although the focus of programs and specific activities varied from state to state, one common theme running through each of the sites that we visited was that effective schools set-asides were being used to support state educational priorities and reform efforts as defined by those states, not as defined in the legislation. Colorado offers a good example of how the effective schools set-aside supports the state priorities.

In 1988, Colorado launched a major restructuring plan. The state is actively pursuing four strategies: (1) education accountability at all levels, (2) high expectations and standards for student performance, (3) teacher preparation and renewal, and (4) community support for restructuring. The SEA also established a number of goals in the areas of graduation, attendance, and student achievement. Each district is required to develop its own goals and accountability program tailored to its community and consistent with the state's goals. All schools must also adopt an accountability program.

Colorado uses its effective schools set-aside to support the School Effectiveness Unit of the SEA. The School Effectiveness Unit was created to assist LEAs in implementing the state's reform agenda. The major goals of the School Effectiveness Unit are to implement the six National Goals, which the state committed to in 1990, and to oversee other systemic reform efforts in the state.

Colorado Chapter 2 funds support a unit coordinator, staff, and secretarial assistance plus travel and operations. The coordinator's job has been to discuss with the legislature what systemic reform will look like, and her staff's job has been to translate state reform legislation into practice. Staff in the School Effectiveness Unit have been providing a "vision" for reform by translating state reform legislation into practice through assistance to LEAs in implementing the new legislation on accountability standards.

The major strategies employed by the Colorado SEA for promoting schoolwide improvement and school effectiveness have included in-service training, conferences, materials dissemination, on-site assistance, and collaborative efforts with programs funded from other sources and with other organizations supporting school reform and restructuring.

The Colorado SEA is promoting school reform and educational improvement; however, its model is not based strictly on the correlates of the effective schools model. In fact, many states throughout the country are turning to alternative initiatives of restructuring and systemic reform and using Chapter 2 funds to support those endeavors.

However, because the Chapter 2 legislation is very specific in defining effective schools by the correlate model, we surmise that in some states the mandates of the legislation may be inhibiting different types of reform.

With Chapter 2 legislation specifying that reform should be correlate driven, some states may get tied up in the language and adhere to the older model of effective schools. We are aware of several such states whose effective schools programs are based strictly on the correlate model. Does Congress really want the states to follow a model that is dated, or should states be able to create their own reform initiatives? Thus far, states are moving beyond the correlate-driven model to pursue other reform models to advance their individual reform initiatives. According to one state Chapter 2 coordinator, Chapter 2 needs a broader definition of reform beyond the correlate-driven effective schools model because SEAs and LEAs need to be free to address systemic reform in various ways.

Another point to consider is whether the effective schools set-aside has been the catalyst for school-level reform. Although the effective schools set-aside has successfully supported school-level reform initiatives, it is dubious that the set-aside instigated those programs. Several of the case study SEAs were undertaking reform initiatives because they were naturally headed in that direction, not because Chapter 2 regulations said they must. For example, when deciding how to allocate Chapter 2 funds, the Vermont SEA looked at the flexibility of Chapter 2 to support the state education goals. It considered how the effective schools mandate related to the direction in which the state was already headed and plugged the dollars into appropriate spaces. In this case, Chapter 2 was supporting the effective schools movement, in its broader definition, but the set-aside was not the catalyst for the program. This example and others suggest that the effective schools set-aside has not been the cornerstone of state reform; rather, more often, it has supported reform efforts already under way or already planned by the states.

Accountability and Evaluation Requirements of SEAs

In response to criticism of insufficient accountability in the Chapter 2 program, Congress, as part of the 1988 Hawkins-Stafford Amendments, mandated two reporting requirements of SEAs: an annual report on state and local Chapter 2 allocations and a self-evaluation of the effectiveness of state and local Chapter 2 programs. The annual report includes information on the types of services provided, the funds budgeted for those services, and the children being served. The SEA is responsible for compiling the data and submitting the report annually to the U.S. Secretary of Education. LEAs are required

to provide the SEAs with the information needed for the report. Summaries of the 1989-90, 1990-91, and 1991-92 reports were done and are available as separate documents (Padilla, Ruskus, and Williamson, 1993; Padilla and Williamson, 1993).

The self-evaluations of effectiveness were submitted by SEAs in March 1992. The written guidance provided by ED gave wide latitude to SEAs on how these evaluations could be conducted. This flexibility made completing the task of evaluation feasible for state and local personnel operating on limited budgets. However, it made the task of summarizing these evaluations a challenging one. [The summary that provides an overview of the uses of funds and the effectiveness of Chapter 2 programs is also available as a separate document (Hawkins, Ruskus, and Wechsler, 1993).] Each of the self-evaluations of effectiveness differed in focus, methodology, and quality because of differences in SEAs' institutional capacities and SEA motivations for conducting the evaluations.

Some states focused their self-evaluations on one or more particular target areas and included all their LEAs or a sample of LEAs. Others focused on one or several LEAs and evaluated one or more target areas within those LEAs. Some states evaluated programs only at the local level; others evaluated programs at both the state and local levels. The states used various criteria to select programs for evaluation, although overall, they tended to evaluate programs in target areas where the highest percentages of Chapter 2 funds were allocated.

The self-evaluations reflected the full range of evaluation methodologies, from case studies to comparisons of pre and post individual achievement data. Most of the self-evaluations were based on some form of self-report, typically surveys. Some were methodologically rigorous; others were quite simplistic. Most importantly, the quality of the evaluations varied. However, it is important to point out that the quality of the self-evaluations did not always appear to be correlated with the quality of the programs being implemented.

Effects of the Evaluation Requirements

The main intent of these evaluation requirements was to hold the Chapter 2 program more accountable to Congress and to provide Congress with information on the educational impact of Chapter 2-funded activities as it considered the program's reauthorization. Interestingly, the reporting requirements appear to have had an even wider influence, at least on some SEAs. More than half of the SEAs indicated that the

new reporting requirements increased their emphasis on the evaluation of Chapter 2 activities (see Table 3-2).

Additionally, many SEAs reported using the opportunity of having to conduct the self-evaluation to provide other stakeholders with information about Chapter 2, as well as to inform state planning and decision-making. This is not to say, however, that the influence was great. Outside of input for reauthorization, the most frequent uses of evaluation data were giving feedback to local Chapter 2 program participants and disseminating information to the public about Chapter 2 programs (see Table 3-3). In lesser proportions, SEAs also indicated that the self-evaluation data were used in state planning and decision-making. A little over half of the SEAs used the information to plan technical assistance to LEAs.

During our case studies, we found that SEAs were not very inclined to promote the value of the self-evaluations. Colorado's SEA seemed to put the information to the greatest advantage. The SEA used the evaluation data to provide its LEAs and the advisory committee with information on which programs were working and which were not in order to assist them in identifying effective practices. Colorado, however, had conducted annual evaluations of its Chapter 2 program before the requirements and has continued to do so. Vermont indicated that it started the self-evaluation task merely because it was required, but found that it was able to share the results with the local professional standards boards to show what teachers felt they needed for staff development. Vermont, however, claimed that it did not have the time, money, personnel, or expertise to implement a full-scale evaluation of this type annually. Mississippi voiced the same concern.

Other SEAs, such as Indiana and Maryland, used the self-evaluation data to inform themselves in greater depth of targeted Chapter 2 activities, but were less inclined to conclude that the information was valuable in making decisions about or changes in programs. As with Vermont and Mississippi, other SEAs indicated that they did not have the expertise in their Chapter 2 program offices to conduct comprehensive program evaluations. Some states, such as Texas, used the services of the research and evaluation divisions of their SEAs; other states, such as Indiana, chose to hire an outside evaluator. In at least one case, Vermont, the SEA received help from another SEA.

Table 3-3

UTILIZATION OF STATE CHAPTER 2 SELF-EVALUATION DATA

Type of Use	Percent of SEAs*
State planning/decisionmaking	
About priorities for state set-aside funds	38.5
About technical assistance to LEAs	53.8
About discretionary grants	28.8
To initiate further evaluation or research studies	13.5
Reporting/giving feedback	
To State Board of Education	36.5
To other state staff/representatives	53.8
To local Chapter 2 program participants	80.8
To private school representatives	50.0
To the public	76.9
For reauthorization of Chapter 2	82.7
Other uses	7.8

* All 52 SEAs responded to this item.

Source: Item 29, state survey.

The self-evaluations had even less impact at the local level than at the state level. Some of the LEAs were not involved in any way in this evaluation effort; others were required to provide data that was compiled at the SEA level.

Perhaps the summative nature of the evaluations rendered them less useful to states and districts than they could have been. The purpose of the self-evaluations was to provide information about the contribution of Chapter 2 to educational reform and to analyze whether or not the Chapter 2 programs were effective. Whereas lawmakers may desire a yes or no answer, program coordinators are also interested in exploring how to make the programs even more effective. If the self-evaluations of effectiveness had a more formative purpose, perhaps state and local personnel would have found them to be more useful. Nevertheless, the legislated requirement appears to have promoted a greater awareness of the importance and usefulness of program evaluations at both the state and local levels. The key to more effective use of evaluations appears to be in building SEA capacity by increasing knowledge and skills and in increasing funding for the design and implementation of program evaluations.

Supplement-Not-Supplant

Federal regulations mandate that SEAs and LEAs allocate and use Chapter 2 funds for uses that are above and beyond what would be available in the absence of such funds. According to 55 FR 14815, April 18, 1990:

An SEA or LEA that receives Chapter 2 funds (a) May use and allocate those funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of Federal funds made available under Chapter 2, be made available from non-Federal sources; and (b) May not use Chapter 2 funds to supplant funds from non-Federal sources.

Included in legislation to preserve the identity and purposes of Chapter 2, the supplement-not-supplant provision compels SEAs and LEAs to use Chapter 2 funds to enhance, enrich, and complement their existing educational programs.

Effects of Supplement-Not-Supplant on State and Local Programs

According to a majority of state and local sites visited as part of this study, the supplement-not-supplant provision is very important given the severe financial difficulties facing many of the sites. Some of the sites visited for this study—both SEAs and LEAs—were facing financial pressures and decreasing funds for education due to state and local

budget cuts. As state and local funds for education decrease, Chapter 2 regulations protect the program from pressure to cover the cost of other programs whose funding is more precarious. For example, in the district of Lennox, the superintendent wanted to use Chapter 2 funds to purchase textbooks and also to pay the salary and benefits for the district's resource teacher. Both of these expenditures had previously been paid for by the district; therefore, to use Chapter 2 funds for these purposes would constitute supplanting. In response to the superintendent's intentions, the Chapter 2 coordinator referred to the supplement-not-supplant provision to ensure that the district's innovative Chapter 2 program received its appropriate funds. This coordinator proudly claimed that supplement-not-supplant helped "to protect her use of Chapter 2 funds for other than school business."

Supplement-not-supplant has allowed districts to fund programs that otherwise would not have been implemented for financial or other reasons. Two districts noted that their communities were interested in innovative cultural programs; however, few districts can implement these types of programs under the constraints of their budgets. According to the Chapter 2 coordinator in Leland, "supplement-not-supplant is what makes it possible to have these kinds of cultural and artistic programs. The community wants to have these programs, but it is tough to justify the dollars." District personnel find innovative and experimental programs difficult to rationalize when they are making reductions in basic educational programs. However, supplement-not-supplant helps to give Chapter 2 a distinctive identity as a creative, innovative program. According to the Chapter 2 coordinator in Canfield, supplement-not-supplant "makes Chapter 2 fund extra programs, things we wouldn't have if it were up to us to support them with local funds."

In the above cases, it is clear that supplement-not-supplant has had a noticeable effect on the districts and has helped to maintain the integrity of the Chapter 2 program. In other districts, this was not the case. Several of the case study districts reported that supplement-not-supplant had no influence on their Chapter 2 programs. Other states and districts reported a negative influence by the provision, claiming it was an impediment to innovative activities and reform initiatives.

In some instances, supplement-not-supplant hindered state and local efforts because of conservative interpretations of the regulation, cautious Chapter 2 coordinators, and nebulous definitions of supplanting. Given the changing nature of education and emerging statewide reform initiatives, supplement-not-supplant has given rise to concerns about the

definition of supplanting. In response, SEAs and LEAs are carefully examining how they use their Chapter 2 funds, particularly as they relate to state reform measures.

Are states allowed to use Chapter 2 funds to support activities that emanate from their education reform acts? States are struggling with this issue and trying to determine the appropriateness of using Chapter 2 to support state reform initiatives, especially those that are mandated by state legislatures. One state's experience says that Chapter 2 funds may not be used for such activities. Mississippi has occasionally been reproved for supplanting when it used Chapter 2 funds to support mandated efforts of the state's education reform act. Most recently, Mississippi was audited for allocating its Chapter 2 effective schools set-aside to support the state's technical assistance office. Vermont reported that it has so far been able to shift SEA resources to avoid any problems with the provision; however, as its reform agenda becomes more infused into the educational program, Vermont is becoming more concerned about the constraints of the provision. According to one state Chapter 2 coordinator:

Revisions should be made in the supplement-not-supplant provision to allow states with mandated reform acts greater flexibility in the use of Chapter 2 funds. The current legislation often "punishes" these states in an effort to prevent the appearance of supplanting by placing too many restrictions on the use of funds, particularly in the area of Effective Schools. It is difficult to coordinate resources from the state and Chapter 2 for an effective schools program if a state has a mandated reform act.

Districts also expressed frustration with the supplement-not-supplant provision because of their similar inability to define the limitations of the provision, particularly as it relates to state or local reform initiatives. In some instances, district staff were overly cautious when interpreting the constraints of supplement-not-supplant. Some districts believed that supplement-not-supplant prohibited districts from using Chapter 2 to support mandated reform initiatives; others believed they were prohibited from supporting any initiatives that were previously funded by the district. The following two examples illustrate these perceptions of district staff.

- Bay View has previously funded Chapter 2 activities that were innovative, and hence also supplementary. However, the state has recently passed a reform bill mandating many of the activities that the district had been funding. If the district continues to fund the same activities with Chapter 2 funds, is this now considered supplanting even though the state has provided no funding to support the new legislation? District planners were unsure of the restrictions of the regulation; however, they strongly advocated that the provision should not

inhibit local participation in reform initiatives. On the contrary, they believed that Chapter 2 should promote and support such participation in reform initiatives.

- Acacia had questions about supplement-not-supplant as it pertains to the funding cycle of the district. The district cannot obligate Chapter 2 funds until it receives final notification from the state in late August. Consequently, if it is pursuing an innovative, supplemental initiative that requires people to meet in the summer, district staff feel pressured to use funding from the school budget. In other circumstances, they would use Chapter 2 funds to fund their program; however, they fear that committing Chapter 2 funds before the allocation is made would be construed as supplanting. District staff further wonder whether subsequent activities of the same initiative could be funded with Chapter 2 even though they funded the original summer activity with district funds.

In each of these cases, educators believed that there are times when supplement-not-supplant interferes with the most efficient or desirable use of Chapter 2 funds and discourages districts from funding reform initiatives. However, these overcautious interpretations of supplement-not-supplant were not universally held. In fact, in our two surveys, both SEA and LEA Chapter 2 coordinators reported supporting mandated activities with Chapter 2 funds (see Tables 3-4 and 3-5). Thus, although supplement-not-supplant may have hindered innovation in some states and districts, especially in terms of support for mandated reform, this was due to particularly cautious interpretations of the regulation and was apparent in only a subset of states and districts. The more widespread belief about the provision, as discussed earlier, was that it promotes the purposes and helps to maintain the identity of the Chapter 2 program.

Federal Guidance Provided to SEAs and LEAs

Perceptions of Federal Programs in General

The flexible and quasi-discretionary nature of Chapter 2 was mentioned with approval by the majority of our case study and SEA survey respondents. A wide spectrum of feelings about federal programs and initiatives was expressed during our interviews; Chapter 2 was frequently singled out for special praise.

For most of our case study SEAs, the standard for evaluating federal leadership in education was how well the federal role reinforced state goals. In Vermont, for example, one SEA administrator said that federal programs work in concert with state education programs. This individual also believed that federal programs were a catalyst for some of

Table 3-4
CHAPTER 2 SUPPORT FOR STATE EDUCATION REFORM
ACTIVITIES IN 1991-92

Reform Activity	Percent of SEAs*		
	LEA Engaged in Activity	Activity Was Mandated [†]	Chapter 2 Funds Used [†]
Support for effective schools programs	100.0	23.5	98.0
Other educational reform activities	90.0	14.3	88.9
Support for school improvement planning	96.1	31.3	81.6
Revising/developing curriculum frameworks that promote higher-order thinking skills	89.8	27.9	76.2
Systemic reform efforts	90.4	37.0	71.1
Support for school-based restructuring efforts	96.1	25.5	69.4
Activities related to the National Goal "Student Achievement and Citizenship"	95.7	13.0	61.4
Activities related to the National Goal "Science and Mathematics Achievement"	98.1	16.3	56.0
Activities related to the National Goal "Readiness for School"	94.0	23.9	53.2
Activities related to the National Goal "High School Completion"	96.2	13.6	52.0
Establishing public-private partnerships	81.2	5.1	46.2
Revising/developing standards for student performance	94.1	57.8	44.7
Activities related to AMERICA 2000	72.9	12.1	42.9
Developing alternative measures of student achievement	92.2	26.1	40.4
Activities related to the National Goal "Safe, Disciplined, and Drug-Free Schools"	96.2	25.6	32.7
Alternative teacher and/or administrator certification	79.2	52.6	18.9
Activities related to the National Goal "Adult Literacy and Lifelong Learning"	95.9	11.4	17.0

* All 52 SEAs responded to this item.

[†] Based on the number of states that engaged in the specified reform activity.
 Note: Rows ordered by level of Chapter 2 funds used (high to low).

Source: Item 22, state survey.

Table 3-5

CHAPTER 2 SUPPORT FOR LOCAL EDUCATION REFORM ACTIVITIES IN 1991-92

Reform Activity	Percent of SEAs		
	LEA Engaged in Activity	Activity Was Mandated*	Chapter 2 Funds Used*
Support for effective schools programs	69.3	23.0	42.0
Revising/developing curriculum frameworks to promote higher-order thinking skills	72.8	29.8	40.0
Activities related to the National Goal "Science and Mathematics Achievement"	69.4	22.3	39.1
Support for school improvement planning	77.3	39.8	31.5
Activities related to the National Goal "High School Completion"	49.1	25.0	27.4
Revising/developing standards for student performance	62.6	36.4	27.0
Activities related to the National Goal "Student Achievement and Citizenship"	50.0	21.8	26.6
Support for school-based restructuring efforts	58.1	28.2	23.4
Systemic reform efforts (i.e., aligning reform across all components of educational system)	57.1	38.2	22.8
Activities related to the National Goal "Adult Literacy and Lifelong Learning"	37.4	16.6	22.8
Activities related to AMERICA 2000	37.2	20.9	15.6
Developing alternative measures of student achievement	52.5	30.5	14.7
Activities related to the National Goal "Safe, Disciplined, and Drug-Free Schools"	69.9	45.6	11.9
Activities related to the National Goal "Readiness for School"	41.5	22.7	11.4
Establishing public-private partnerships	34.2	12.0	4.8
Other educational reform activities	11.1	20.8	48.1

* Based on the number of districts that engaged in the specified reform activity.
Note: Rows ordered by level of Chapter 2 funds used (high to low).

Source: Item 12, district survey.

Vermont's initiatives and stressed that federal programs form a partnership with Vermont's goals. Colorado shared Vermont's positive view of the federal leadership role in education. In fact, respondents in Colorado felt that the federal role had not been taken seriously enough by educators around the country.

Another state, Indiana, also believed that federal programs should mesh with its own educational philosophy and school programs. Respondents here thought that federal programs had achieved this link because program requirements did not impose constraints on SEA activities. If accountability requirements were increased, however, this favorable assessment of federal programs would change.

The contrast between Chapter 2 and other federal programs was striking in our case study LEAs. Numerous commentators noted that Chapter 2 should be the model for all federal allocations to LEAs (Chapter 1, Title II, special education, etc.). Districts in Vermont, Texas, Mississippi, and Maryland made this point explicitly. The consensus in one Vermont district, drawing a familiar distinction between programs, was that "everybody loves Chapter 2." Even if a district had critical observations about paperwork and monitoring required for federal funds, Chapter 2 was usually omitted from these criticisms.

Federal Chapter 2 Guidance

The federal Chapter 2 office employs predominantly formal mechanisms for disseminating information and assistance to SEAs and LEAs. These include the guidance contained in the rules and regulations and in the nonregulatory guidance. Also, when the program office receives any questions of general interest to all SEAs, they respond with a "Dear Colleague" letter that is distributed to all SEAs. These letters take on the significance of nonregulatory guidance. Other, more site-specific questions are handled individually and more informally, often over the telephone.

Not surprisingly, requests for federal assistance dropped off sharply after the first few years of implementation of the Hawkins-Stafford Amendments. In the first years of implementation, the federal program office offered a lot of guidance. For example, it held a series of workshops around the country to review new forms (e.g., for the annual report) and to review guidance for the evaluations of effectiveness. Now that Chapter 2 requirements have been institutionalized, requests for guidance have declined significantly.

Federal guidance is also offered during federal monitoring visits. In addition to checking for regulatory compliance, the federal representatives provide technical assistance and guidance to the SEAs. Any technical assistance or recommendations made by the federal representatives are written into the reports that are sent to the SEAs after completion of the monitoring visits.

The annual conference of SEA Chapter 2 coordinators serves as another medium for federal guidance. The Chapter 2 coordinators asked the federal program office to review the major kinds of new questions it received during the year and any major findings and recommendations it had during monitoring visits and audits. In response to this request, the program office gives a presentation of this information each year.

The program office has also used the conference as an opportunity to influence the manner in which Chapter 2 funds are used. The conference has become less focused on the nuts and bolts of Chapter 2 and more focused on how Chapter 2 can fit into school reform. The program office is using the conference to steer SEA coordinators into looking at Chapter 2 in a different light by linking Chapter 2 to the National Education Goals.

SEA Perceptions of Federal Chapter 2 Guidance

Table 3-6 shows that published guidelines about Chapter 2 and telephone contact with federal program officers were the vehicles most likely to be used by SEA personnel for obtaining technical assistance. Consulting with Chapter 2 colleagues in other states, with staff in their own agencies, and with federal program officers during site visits were also done by a majority of state respondents. Table 3-7 lists the types of technical assistance received by SEAs from the Chapter 2 program office. Program administration and operations were the topics that occurred most frequently.

In general, SEAs were "somewhat satisfied" to "very satisfied" with the quality of their interactions with the federal Chapter 2 program office (Table 3-8). Survey respondents were most satisfied with the guidance they received in operating their programs and assistance received during site visits by federal staff. They were least satisfied with the time it took to get feedback on their submissions to ED and with guidance they received in conducting evaluations. The mean ratings on Table 3-8 indicate a fairly uniform level of satisfaction with the federal Chapter 2 program office.

Table 3-6

PRIMARY SOURCES OF TECHNICAL ASSISTANCE USED BY STATE CHAPTER 2 COORDINATORS

Source of Technical Assistance	Percent of SEAs*
Telephone federal Chapter 2 program officer directly	96.2
Write to Chapter 2 staff for information	19.2
Review question/concern with program officer during site visit	61.5
Review published guidelines or other information about Chapter 2 (e.g., nonregulatory guidelines)	100.0
Consult with a Chapter 2 colleague in another state	63.5
Consult with staff in your own agency	57.5
Consult with a member of the state Chapter 2 Advisory Committee	26.9
Consult with state or federal legislative staff	19.2

* All 52 SEAs responded to this item.

Source: Item 30, state survey.

Table 3-7

FEDERAL CHAPTER 2 PROGRAM OFFICE TECHNICAL ASSISTANCE TO STATES

Type of Technical Assistance	Percent of SEAs*
SEA program administration (e.g., applications, reporting)	86.3
Questions initiated by LEAs regarding Chapter 2 program operations	76.5
Allocation of Chapter 2 funds to LEAs (i.e., state funding formula)	23.5
Services for private school students	35.3
Targeted use of funds	39.2
Waiver of effective schools requirement	19.6
State evaluation activities	45.1
SEA approach to technical assistance and/or monitoring	23.5
Other issues	3.9

*Fifty-one SEAs resonded to this item.

Source: Item 31, state survey.

Table 3-8

STATE SATISFACTION WITH FEDERAL CHAPTER 2 PROGRAM OFFICE

Type of Technical Assistance	Percent of SEAs*					Mean Rating†
	Very Dissatisfied	Somewhat Dissatisfied	Neither Satisfied Nor Dissatisfied	Somewhat Satisfied	Very Satisfied	
Advance information on grant awards	0	12.0	12.0	28.0	48.0	4.1
Guidance in operating your Chapter 2 program	0	4.0	10.0	30.0	56.0	4.4
Guidance in interpreting Chapter 2 legislation	0	10.2	6.1	32.7	51.0	4.2
Guidance in preparing your annual report	0	4.3	28.3	23.9	43.5	4.1
Guidance in conducting your Evaluation of Effectiveness	2.1	12.8	23.4	29.8	31.9	3.8
Feedback on information you have submitted to the Chapter 2 program office	4.0	8.0	30.0	28.0	30.0	3.7
Assistance provided through the on-site visit conducted by your program officer	2.6	7.9	5.3	28.9	55.3	4.3

* All 52 SEAs responded to this item. Excludes states that responded "does not apply."

† Based on a 5-point scale: 1=very dissatisfied, 2=somewhat dissatisfied, 3=neither satisfied nor dissatisfied, 4=somewhat satisfied, 5=very satisfied. (The midpoint is 3.0.)

Source: Item 32, state survey

Case study data expand and partly reinforce the themes introduced by the surveys. The Mississippi state coordinator reported receiving good information from ED during the annual Chapter 2 conference and from colleagues in other states. This coordinator would like more guidance on types of activities allowed under Chapter 2 in order to avoid appearances of supplanting, a controversial issue in past monitoring visits.

Staff members from this state and another remarked that staff turnover in the Chapter 2 program office has affected the quality and consistency of guidance received from ED. In the first case, this instability was viewed negatively. In the second case, however, the respondent said that staff shifts improved matters. At one time, the second state also felt that ED was not informing the SEA of all program requirements. The situation has since changed, and the coordinator reported being comfortable contacting ED whenever she had questions about allowable expenditures.

Two other states, Colorado and Texas, reported informative relationships with the Chapter 2 program office. A respondent from Colorado said that the nonregulatory guidance was very useful because it anticipated the types of questions that were raised by state and local educators. A fifth case study state also had positive perceptions of the information received from ED on Chapter 2 but complained, with several other states, that feedback on reports and questions often was not very timely. A sixth state, Indiana, reported that published federal guidance was not useful.

LEA Perceptions of Federal Chapter 2 Guidance

Most districts seem to have limited or nonexistent relationships with ED. There are two notable exceptions, Fremont and Maple. Individuals in these large urban districts attend federal conferences and/or have extensive personal contact with ED colleagues. For the most part, however, our case study LEAs explicitly reported having no contact with the federal Chapter 2 program office. In fact, the majority of districts reported in both the survey and the case studies that they relied on the *state* Chapter 2 program office as their primary source of information about the program (see Table 3-9). Similarly, only two case study LEAs, Lennox and Canfield, reported having referred to published federal guidance (in contrast to frequent use of guidance prepared by the state). Table 3-9 suggests that "published guidelines" were consulted by almost two-thirds of all districts, but this figure probably captures guidelines distributed by the SEA as well as ED.

Given the fact that SEAs function as intermediaries between LEAs and ED in virtually all Chapter 2 circumstances, our examples of LEA perceptions of federal

Table 3-9

PRIMARY SOURCES OF GUIDANCE FOR LOCAL CHAPTER 2 DIRECTORS

District Size	Percent of Districts							
	State Chapter 2 Program Office	Published Guidelines	Other District Staff	Chapter 2 Colleagues	Federal Program Officer	State Chapter 2 Advisory Comm.	Legislative Staff	Other
All districts	84.9	63.2	31.6	33.4	13.4	4.6	2.9	4.0
Very large	92.8	89.4	46.6	27.0	13.7	13.7	8.0	4.3
Large	90.9	82.5	41.5	32.2	17.8	6.2	4.3	1.5
Medium	91.2	72.6	35.4	33.1	15.6	7.0	2.2	1.9
Small	82.6	59.0	29.7	33.7	12.5	3.6	2.9	4.6

Source: Item 21, district survey.

guidance are partly reactions to the way SEAs execute their own responsibilities for federal programs. We will treat SEA technical assistance on Chapter 2 procedural matters in the next section of this report. For now, the reader should keep in mind that LEA perceptions of federal and state guidance tend to overlap.

Districts commonly perceive federal guidelines for Chapter 2 as ensuring flexibility and local discretion. Only one large urban district, Fremont, advocated more flexibility for Chapter 2 to support innovation (specifically, its own ambitious reform agenda): "The federal government can stimulate innovation only if they don't hamstring the innovators before they do anything." A handful of other respondents expressed satisfaction with current program requirements because of their flexibility.

It is worth highlighting the degree of empowerment felt by a local Chapter 2 administrator in Lennox. Like other LEAs, this one receives regulatory guidance from the SEA and views state staff as "helpers," not monitors. The Chapter 2 coordinator reports receiving assistance in a number of areas from the SEA and consulting the nonregulatory guidance disseminated by ED. "Once I learned the federal regulations, I felt really comfortable with making changes, being more innovative. In general, I think the federal programs are good. They have definitely been of benefit to this county. I like the direction given by the various grants. I believe that people giving money have the right to give some direction."

Summary

Although new Chapter 2 regulations are implemented faithfully, mandates from the federal government have not significantly changed the Chapter 2 program. The target areas have not served their intended purpose of focusing Chapter 2 on educational improvement because of their broad, vague, and overlapping nature. The limitations of the target areas were manifest in several ways: similar activities were appropriately classified under different target areas, activities were classified in one target area one year and a different target area the next year, activities were inappropriately classified, and state or local policies limited the use of target areas. Although the target areas did spark ideas in some districts, more often they did not function in any way as a guiding factor for districts in deciding how to spend their Chapter 2 funds.

Similar to the target areas, the effective schools set-aside has not been the cornerstone of state reform. In most cases, the set-aside has not been the catalyst for state

support of effective schools; rather, more often, it has supported reform efforts already under way or already planned by the states. Furthermore, the Chapter 2 legislation is very specific in defining effective schools according to the correlate-driven model; however, very few SEA Chapter 2 effective schools programs reflect that model. Most states have redefined "effective schools" in their own terms that focus on alternative initiatives of restructuring and systemic reform. Thus, to some extent, the set-aside has supported educational reform, but it could also be said that it has hindered it in perpetuating an outmoded notion of reform.

More than the target areas or the effective schools set-aside, supplement-not-supplant has kept Chapter 2 focused on educational improvement by protecting the program funds from general use. As state and local funds for education decrease, Chapter 2 regulations protect the program from pressure to cover the cost of other general education programs whose funding is more precarious. Consequently, supplement-not-supplant has allowed districts to fund programs that otherwise would not have been implemented for financial or other reasons. However, the regulation may also have hindered innovation, especially in terms of support for mandated reform. Given the changing nature of education and emerging statewide reform initiatives, supplement-not-supplant has given rise to concerns about the definition of supplanting. In some instances, supplement-not-supplant hindered state and local efforts because of conservative interpretations of the regulation, cautious Chapter 2 coordinators, and nebulous definitions of supplanting. States and districts need more direction to help them understand the flexibilities and limitations of supplement-not-supplant. Despite these concerns, the more widespread belief of the provision was that it promotes the purposes and helps to maintain the identity of the Chapter 2 program.

4 STATE INFLUENCE, IMPLEMENTATION, AND IMPACT

This section of the report describes survey and case study data that relate to Chapter 2 at the state level. We begin with a discussion of state program administration, including the organizational structure and administrative functions of Chapter 2. We next turn to Chapter 2 decision making, examining different state processes, Chapter 2 state advisory committees, and discretionary grants. Then we gauge the extent to which SEAs provide direction and leadership to LEAs on the use of Chapter 2 funds. Following this, we discuss "programmatic technical assistance": the types of professional development activity supported with Chapter 2 funds. Finally, we review the accountability mechanisms and evaluation activities that are overseen by state Chapter 2 personnel.

State Chapter 2 Administration

State education agencies bear a disproportionate share of the administrative responsibility for Chapter 2. As the intermediate organizational unit between the U.S. Department of Education and school districts within the state, SEAs perform administrative tasks in conjunction with both relationships. Their roles involve administration and technical assistance, both of which, in turn, consist of responsibilities for monitoring and capacity building at the state and local levels.

In this subsection, we begin by estimating the national expenditures for state administration of Chapter 2. We then review the organizational structure of SEA Chapter 2 programs. Next, we summarize the types of administrative activity that occur in SEAs by drawing from survey and case study data. These activities include administering the distribution formula, reviewing LEA applications, and providing technical assistance on Chapter 2 procedures.

National Expenditures for State Administration of Chapter 2

Row 7 of Table 4-1 shows figures for SEA administrative allocations, which total \$14,197,627. This figure omits Indiana and California. Assuming that these states set aside the allowed 20 percent for SEA use from their respective 1991-92 allocations and that they each used the maximum 25 percent of the state allocation on administration, then the estimated 1991-92 total expenditure for SEA Chapter 2 administration is \$17,154,556.

Table 4-1

SEA CHAPTER 2 ALLOCATIONS TO TARGET ASSISTANCE AREAS IN 1991-92*

Target Area	Mean Allocation	Percent of Total Allocation	All States Combined
1. Programs to serve students at risk or whose education entails higher-than-average cost	\$154,713	10.9	\$7,735,638
2. Programs to acquire and use:			
Library materials	34,947	2.5	\$1,747,387
Computer software/hardware	28,239	2.0	1,411,972
Other instructional/educational materials	35,937	2.5	1,796,835
3. Innovative programs:			
Schoolwide improvement	192,341	13.6	9,617,047
Effective schools programs	309,198	21.8	15,459,908
4. Programs of training and professional development	164,107	11.6	8,205,355
5. Programs to enhance personal excellence and student achievement:			
Ethics	997	0.1	49,850
Performing and creative arts	21,057	1.5	1,052,843
Humanities	15,023	1.1	751,129
Physical fitness	5,500	0.4	275,000
Comprehensive health education	12,160	0.9	608,002
Community service	6,166	0.4	308,283
Other	30,573	2.2	1,528,639
6. Programs to enhance school climate and educational programs:			
Gifted and talented programs	22,685	1.6	1,134,226
Technology education	44,092	3.1	2,204,603
Early childhood education	16,958	1.2	847,913
Community education	8,325	0.6	416,226
Youth suicide prevention	1,159	0.1	57,949
Other	30,668	2.2	1,533,419
7. Administration of the Chapter 2 program	283,953	20.0	14,197,627
Total 1991-92 Chapter 2 allocation	\$1,418,797	100.0	\$70,939,851

* Excludes California and Indiana because those states could not provide within-target-area breakdowns.

Source: Item 6, state survey.

Organizational Structure

In several of our case study SEAs, federal program administration is spread across different units of the agency. Only Colorado has a unified arrangement for federal programs through the Federal and State Program Services Office. It appears more common for federal administrative activities to be blended with existing organizational functions. For example, Chapter 1 is administered under Divisions of Compensatory Education in at least two of our states, Maryland and Mississippi. The organizational location of Chapter 2 varies, but it is typically administered under a single unit. (Texas is an exception: SEA and LEA Chapter 2 projects are administered separately.)

In addition to the fragmented nature of federal programs generally, we noticed several cases where Chapter 2 administration was marginalized within the SEA hierarchy. These situations are understandable in light of the unusual nature of Chapter 2 as a resource that supports disparate SEA programs. Mississippi, for example, has placed Chapter 2 in the Division of Special Projects, Bureau of Special Services. The Division of Special Projects is the only one of four divisions in the Bureau that is not specifically related to special education. It encompasses the state offices of the National Diffusion Network, the school and college talent search, and the computer screening team. Both the Chapter 2 coordinator and the division director recognize that the marginal status of Chapter 2 impairs its potential to contribute to school reform. Under a state reorganization that is currently under way, Chapter 2 is slated to move out of the Bureau of Special Services to a new unit for innovative programs.

Other states are making (or have made) organizational changes that will affect the location of Chapter 2. In Maryland, as in Mississippi, Chapter 2 was in the Office of Communications and Special Projects as of 1991-92. Chapter 2 is now subsumed by the Planning, Research and Information Management division. The rationale for this move appears to be the match between Chapter 2's emphasis on supporting new programs through seed money and the division's research and development mission. The SEA is designing the reorganization by looking at each unit's organizational function rather than its funding source.

Vermont is at an earlier point in its restructuring plans, but Chapter 2 is likely to be affected in ways that are similar to Maryland. Vermont wants to promote an interdisciplinary focus and interaction between the Common Core of Learning, delivery standards, and assessment. Six "home teams" and 13 interdisciplinary "focus teams" are

contemplated under the reorganization. The new home for Chapter 2 will be the Teaching and Learning Team.

It is interesting that the reform potential of Chapter 2 has been acknowledged by our case study states and that it has been organizationally incorporated into many of their SEA restructuring activities. It is not yet clear whether this realignment trend will result in a closer connection between Chapter 2 and school reform, but it is worth noting that state administration activities are likely to be affected.

Nationally, administrative staff are outnumbered at SEAs by program/subject-area/grade-level specialists or coordinators and clerical staff (see Table 4-2). SEAs support an average of 1.9 administrative full-time equivalent positions (FTEs) per state with Chapter 2 funds, which amounts to 9 percent of the total state FTEs paid for by Chapter 2. There is not an exact correspondence between administrative FTEs paid for by Chapter 2 and the total administrative burden of the Chapter 2 program. In at least one state, Maryland, salaries of Chapter 2 administrators are covered by other state funds.

Administrative Activities

SEA personnel perform a variety of administrative functions. Table 4-3 and the case studies provide a comprehensive list of these functions: processing local applications, disbursing LEA grants, coordinating SEA programs, monitoring and evaluating state and local projects, operating Chapter 2 state advisory committees, disseminating state and federal guidelines, providing technical assistance on regulations and educational programs, conducting on-site reviews and visits, and organizing periodic meetings for local Chapter 2 personnel. Most state Chapter 2 coordinators also attend the annual conference in Washington, D.C.

The local application and allocation process constitutes the lion's share of SEA administrative activities. This is reflected in Table 4-3, which shows that 28 percent of SEA funds allocated for administration go to this function. Monitoring and evaluation comprise another 20 percent and technical assistance 18 percent of total SEA administrative allocations. Most of these functions are described in more detail below.

Distribution Formulas. From the sum of Chapter 2 funds allocated to each state, at least 80 percent must be earmarked for local grants. Distribution of these funds is guided by public and private school enrollments. In addition, guidelines allow for higher per-pupil allocations to reflect "children whose education imposes a higher than average cost."

Table 4-2

TYPES OF SEA STAFF SUPPORTED BY STATE CHAPTER 2 FUNDS*

Job Classification	Mean FTEs	Total FTEs	Percent of Total FTEs
Program/subject-area/grade-level specialist or coordinator	6.4	308.5	30.0
Trainers/staff development staff	1.6	75.2	7.5
School administration/leadership staff	1.3	62.4	6.2
Student services (e.g., counselor, social worker, home/school coordinator, nurse)	0.4	18.7	1.9
Materials/equipment specialist	0.7	35.2	3.5
Research and evaluation staff	1.0	50.2	5.0
Administrative staff	1.9	92.6	9.2
Program support staff (e.g., budgetary/fiscal, data processing, auditor)	1.2	59.6	5.9
Clerical staff (e.g., secretary)	5.2	250.9	25.0
Other	1.1	50.8	5.1
Total number of staff		1,004.1	100.0

* Forty-eight SEAs responded to this item.

Source: Item 26, state survey.

Table 4-3

**SEA CHAPTER 2 ALLOCATIONS BY ADMINISTRATIVE
FUNCTION IN 1991-92***

Administrative Function	Mean Expenditure	Total Expenditures	Percent of Total Allocation
Application review and allocation of funds to LEAs (80% funds)	\$75,667	\$3,253,701	28.5
Monitoring and evaluation of programs and activities	53,559	2,303,023	20.2
Technical assistance to LEAs in the development of their local grants	49,229	2,116,847	18.5
Planning and supervision of 20% state set-aside funds	36,525	1,570,586	13.7
Administration of discretionary grants	12,373	532,019	4.7
Operations of the Chapter 2 Advisory Committee	8,185	351,970	3.1
Other	30,149	1,296,412	11.3
Total state funds allocated for administration	\$265,687	\$11,424,558	100.0

*Forty-three SEAs responded to this item.

Source: Item 9, state survey.

These factors include "(1) children living in areas with high concentrations of low-income families, (2) children from low-income families, and (3) children living in sparsely populated areas" [P.L. 110-297, Sec. 1512 (a)]. ED reviews the criteria submitted by SEAs and approves those formulas that reflect the needs of LEAs within the state.

According to our survey data, student enrollment is the most important factor in SEA distribution formulas. The mean weight across all SEAs is 71 percent (see Table 4-4). The most significant adjustment factor is for students from low-income families (16 percent).

Allocation formulas in the case study SEAs vary. We will examine one state's formula in detail and summarize the others. Mississippi, a high-poverty state, distributes 95 percent of the local Chapter 2 allocation according to district enrollment. Total district enrollment is computed by adding public school enrollment to the eligible nonpublic school enrollment. A statewide per-pupil dollar amount is calculated and multiplied by each district's enrollment to determine local grants.

The other 5 percent of the allocation is split between two high-cost factors: low income (based on students receiving free and reduced-price lunch) and sparsity. The number of students receiving free and reduced-price lunch is divided by the total enrollment of each district to determine its percentage of low-income students. Each district in the state is ranked according to this percentage. The sparsity of each school district is expressed as a "density factor" and is determined by dividing the average number of students transported to school by the number of square miles in the district. Districts are also ranked according to this percentage. A weighted scale from 1 to 10 is assigned for the ranks of both factors. The two weights are added together for each LEA and divided by 2 to obtain the total weight for high-cost factors. Districts having a total weight of 7 or above receive high-cost funds. The total enrollment of these "high-cost" districts is divided into the 5 percent allotment to calculate the per-pupil high-cost allocation. A district's total Chapter 2 grant is the sum of the statewide per-pupil amount and the high-cost amount.

Colorado distributes LEA grants on the basis of enrollment (83 percent), students from low-income families (16 percent), and sparsity (1 percent). The Chapter 2 state advisory committee helped determine this formula, which has not changed since the inception of Chapter 2. Indiana has similar percentages: 83 percent enrollment, 15 percent low-income, and 2 percent sparsity. The low-income factor is based on the

Table 4-4

STATE ALLOCATION FORMULAS FOR DISTRIBUTING
LOCAL CHAPTER 2 FUNDS IN 1991-92*

Weighting Factor	Mean Weight
Student enrollment in public and participating private schools	71.2%
Adjustments for high-cost factors:	
High concentrations of low-income families	8.2
Students from low-income families	16.4
Sparsely populated area	4.1

* Forty-nine SEAs responded to this item.

Source: Item 11, state survey.

number of students receiving free and reduced-price lunch and applies to LEAs with 15 percent or more students so classified. Sparsity means 12 or fewer students per square mile in the district attendance area.

Texas uses a modified enrollment formula for distributing local funds. All public and eligible private school students are counted. Students receiving free and reduced-price lunch are counted a second time in the calculations for local grants. In one of our Texas districts, Leland, 45 percent of the Chapter 2 grant was generated on the basis of students receiving free and reduced-price lunch. In Maryland, approximately two-thirds of all LEAs receive "high-cost" funds (defined as the sum of district Chapter 1 enrollment and students receiving free and reduced-price lunch). Thirty percent of funds are high-cost; the remaining 70 percent are based on enrollment.

The Vermont formula is weighted across all four distribution categories. Seventy-five percent is based on enrollment, 10 percent on low-income concentration, 10 percent on low-income families, and 5 percent on sparsity. Concentration of low-income families is determined by adjusted gross income per exemption from state income tax returns. Children from low-income families (i.e., those receiving food stamps) are calculated according to the poverty index of the General State Aid formula. Sparsely populated areas are defined by the state: students enrolled divided by the number of square miles in the district.

LEA Applications. A major administrative function for SEAs is processing LEA applications. According to Table 4-3, 28 percent of the SEA administrative allocations nationwide are devoted to LEA application review and allocation of funds. LEA applications enable districts to receive their Chapter 2 grants and provide one means for ensuring that local programs are in compliance with federal regulations.

The application process in all our case study states follows the same basic sequence. SEAs notify LEAs of their tentative Chapter 2 allocations for the next fiscal year. This typically happens in the spring, and the allocations are calculated according to the state's distribution formula. Once districts know their preliminary entitlements, they submit applications to the SEA. These applications include statements of assurance (e.g., community consultation), planned activities, program participant counts, a budget, and other attachments that the state may require. SEA personnel review the applications, seek clarification when necessary, and grant approval, usually in conjunction with finance

personnel. Funds are released to individual districts according to state disbursement calendars after the applications are approved.

Specific observations from the case study SEAs expand our understanding of this straightforward process. The Chapter 2 office in Indiana recently assumed responsibility for notifying and allocating funds for private school children, a responsibility that in other states is subsumed in the local application routine. The state is interested in minimizing district administrative burden and enforces this control by limiting administrative and indirect cost charges. (Most districts elect not to charge these costs to Chapter 2.)

Another state has minimized its own administrative burden by restricting local applications to only one targeted assistance area per district. This requirement does not seem to affect local program design, but it is a telling observation. Administrators in this state view the target areas themselves as burdensome.

Texas has a joint Chapter 1/Chapter 2 application. Local grants are disbursed in monthly installments throughout the year, starting in July. Chapter 2 personnel in both Vermont and Maryland seek input on certain local applications from other staff with expertise in the program area proposed in the application. Maryland allows LEAs to submit applications on computer disk, and one case study district does so. Colorado, Mississippi, and most other states distribute administrative handbooks as part of the annual application packet.

Procedural Technical Assistance. As we have noted above, SEAs play a unique role between the federal Chapter 2 program office and school districts under their jurisdiction. LEAs rarely have direct contact with federal program officers, relying instead on their state agency for guidance on Chapter 2 regulations and procedures. We refer to the guidance provided by SEAs on Chapter 2 administrative matters as "procedural technical assistance." SEAs also provide technical assistance related to the activities that receive Chapter 2 funds. We call this "programmatic technical assistance" and discuss it in detail later in a separate subsection.

According to data gathered in the SEA survey, all states provide information to LEAs on application procedures, federal rules and regulations, and allowable uses of Chapter 2 (Table 4-5). Most states also provide guidance on record keeping and reporting and serving private school students. Of course, it is not known from these data exactly what activities are encompassed in each of the areas, but SEAs are clearly playing

Table 4-5
SEA TECHNICAL ASSISTANCE TO CHAPTER 2-FUNDED
DISTRICTS IN 1991-92

Type of Technical Assistance	Percent of SEAs*
Procedural requirement	
Information on how to apply for funds (formula and discretionary)	100.0
Information about federal regulations and requirements	100.0
Allowable uses of local Chapter 2 funds	100.0
Guidance on reporting forms or what record-keeping procedures to maintain	98.1
Services to private school students	96.2
Programmatic issue	
Assistance in carrying out projects	78.8
Needs assessment or other program development	75.0
Information dissemination on effective instructional practices	75.0
Program evaluation or arranging for an outside evaluation	75.0
Staff development	73.1
Other assistance	3.8

* All 52 SEAs responded to this item.

Source: Item 27, state survey

the major role in ensuring that LEA administrators understand the procedures they are expected to follow.

Most SEA case study respondents view procedural technical assistance as a subset of their administrative responsibilities. In fact, the two areas are seen to be almost interchangeable, given the disproportionate share of Chapter 2 administrative and compliance responsibilities that fall on the SEA.

Guidance on program requirements is delivered in several ways. Annual application packets in several states include information about program requirements. Annual meetings and conferences also convey this type of information in a more interactive format in Mississippi, Maryland, and Texas. Vermont program administrators report that biennial site visits to districts and supervisory unions are important vehicles for delivering technical assistance on program requirements.

At a more informal level, both SEA and LEA respondents indicate that the telephone is the principal vehicle for requesting, delivering, and receiving procedural technical assistance. Program administrators in Colorado report that the telephone is the best way to communicate between the SEA and LEAs once local personnel are familiar with program requirements.

SEA Decision-Making Process for Use of Funds

In addition to administering Chapter 2 programs, SEAs must decide how to allocate their share of Chapter 2 funds. In this subsection, we describe SEA decision-making processes, explore the degree to which state decisions affect LEAs, review the role of Chapter 2 state advisory committees, and summarize study data on SEA discretionary grants.

SEAs bear direct decision-making responsibility for a maximum of 20 percent of all Chapter 2 funds (see Figure 1-1 in Section 1). There are additional restrictions of the SEA pool: no more than 25 percent may be spent on administrative costs, and at least 20 percent must be spent to support effective schools programs. Moreover, SEA decision making must not interfere with local decision-making autonomy [P.L. 100-297, Sec. 1522 (a)(8)].

According to Table 2-4 in Section 2, several factors influence the use of state Chapter 2 funds. Chapter 2 requirements and state educational reform priorities were

cited as the most influential factors (receiving mean ratings of 3.5 and 3.0, respectively), followed by local needs and priorities and input from the Chapter 2 advisory committee (each receiving a mean rating of 2.8). The decision-making processes at the state level that are described in this subsection should be understood in light of these factors. Additional considerations to keep in mind are the limits to SEA roles with respect to Chapter 2 and the comparatively small size of the funds available for state use.

Decision-Making Authority and Processes

Chapter 2 decision-making authority is vested in few hands at fairly high levels of state education bureaucracies. This fact tends to minimize the decision-making influence of Chapter 2 administrators and state advisory committees. Moreover, there is usually no relationship between Chapter 2 decision making and program administration at the SEA level. In cases where Chapter 2 is directed by a highly placed coordinator (Colorado's Executive Director of the Federal and State Program Services Office, for example, and Indiana's Director of School Improvement and Performance), administrative participation in decision making is greater. These, however, are exceptions. Administration and budgetary decision making are separate functions in complex organizations like SEAs, so it is reasonable to find that these functions are conducted separately for the Chapter 2 program.

In three case study states—Maryland, Indiana, and Texas—Chapter 2 decision-making responsibilities fall under the chief state school officers or their immediate deputies. In Maryland, the Chapter 2 coordinator provides input to the deputy superintendent about current programs but does not have any control over decision making. In Indiana, decisions about what positions will be covered by Chapter 2 are made in the superintendent's office (the Chapter 2 grant funds mostly SEA staff). The coordinator implements these decisions and, along with other section heads, makes allocation decisions for the small balance of funds that remain after salaries and benefits are subtracted. Deputy commissioners in Texas determine Chapter 2 allocations with what appears to be limited input from the advisory committee and Chapter 2 program staff.

Decision-making patterns for Chapter 2 in Maryland and Texas are noteworthy by-products of the states' respective reforms. These change efforts are designed, in part, to increase and consolidate the state role in local education, especially in connection with assessment and accountability. Chapter 2 decisions are made at high levels of each SEA

to ensure that state priorities are adequately addressed. (Both states are in the process of finalizing new organizational arrangements for Chapter 2.) Other states have succeeded in addressing state priorities with Chapter 2 in a more decentralized fashion.

Chapter 2 decisions are made at slightly lower levels at two other SEAs. In Mississippi, Chapter 2 decisions do not involve the superintendent but are made instead by the associate superintendent and the state finance director. In Vermont, the Internal and External Directors of the Teaching and Learning Division decide how Chapter 2 funds will be spent at the SEA. These decisions are guided by several considerations. The state board of education determines the mission of the SEA and Chapter 2. Chapter 2 regulations, the availability of other resources, and input from the state advisory committee are additional factors that inform Chapter 2 allocation decisions. Finally, the state board and the SEA both work within the context of a robust local-control tradition and a budgeting process that includes various levels of involvement by the governor's office, the state legislature, special interest groups, and the general public. Chapter 2 addresses the priorities and objectives for education that issue from this process.

Most of the states we visited for this study resemble Vermont by consciously and successfully aligning Chapter 2 at the SEA level with broader state priorities. Even though Chapter 2 is almost always combined with other funds (see Table 4-6), its uses typically reflect what SEA decision makers believe to be important programs and goals. Mississippi respondents note, for example, that the flexibility of Chapter 2 is the main reason it is so useful in addressing broader state plans.

Extent to Which SEA Decisions Affect LEAs

For the most part, there is no relationship between the Chapter 2 decision-making processes of states and school districts. As we will see in the subsection on state direction and leadership, this does not mean that SEAs exert no influence whatsoever. Our data suggest that SEAs honor Chapter 2 autonomy at the local level, but enforce and extend certain federal requirements pertaining to how local decision-making procedures must be configured (e.g., community involvement). Influencing decision-making *procedures*, however, is not the same thing as influencing the actual outcomes of local decisions.

Several case study states report a "family resemblance" or "coincidental" matches between program foci at the state and local levels. Because they are high-poverty states, Texas and Mississippi concentrate portions of SEA and LEA Chapter 2 funds on program: for disadvantaged students and the schools that serve them. Indiana

Table 4-6

**COORDINATION OF STATE CHAPTER 2 FUNDS
WITH OTHER FUNDING SOURCES**

	<u>Percent of SEAs*</u>
SEAs that used Chapter 2 funds in conjunction with other funds	92
Other funding sources [†]	
Chapter 1 funds	18.4
Other federal funds	59.2
Specially earmarked state funds	57.1
State general funds	61.2
Private foundation grants	26.5
Business partnership grants	20.4
Other funds	10.2

* Forty-nine SEAs responded to this item.

† Based on the number of SEAs that explicitly coordinated Chapter 2 funds from the state set-aside with other funding sources.

Source: Item 13, state survey.

administrators attribute similar state and district program designs to the fact that there is statewide consensus on priorities for education. The same is true in Vermont. Respondents in one state commented that they would like to have more influence over district programs, but they understand that this would violate the letter and spirit of Chapter 2 guidelines.

Only one of our case study states is pushing the boundaries of appropriate state influence. In the mid-1980s, this state's main reform strategy was for the SEA to give more direction to school districts. Chapter 2 was subsumed by these priorities after the 1988 reauthorization. The state instituted four related "priority areas" for Chapter 2. It required LEAs to link Chapter 2 expenditures and evaluation to student achievement gains and educational improvement. State leadership over both reform and Chapter 2 is unmistakable, but no blatant violations of local independence appear to have occurred. LEAs report various levels of state influence, but most acknowledge the state's leadership role in reform and Chapter 2. One district reports being "encouraged" by the SEA to support educational improvement with local Chapter 2 funds.

The prevailing trend at the district level is autonomous decision making and limited knowledge of and interest in state Chapter 2 decision making. Districts often reap the benefits of SEA program decisions, but state Chapter 2 decisions do not affect local Chapter 2 resource allocation. The next subsection on state direction and leadership will include more discussion of the state influence issue.

State Advisory Committees

Chapter 2 state advisory committees (SACs) are stipulated by law. The governor of each state is required to appoint a committee that is "broadly representative of the educational interests and the general public" of the state [P.L. 100-297, Sec 1522 (a)(2)]. States have complied with the requirement to convene these committees, but it is clear from our data that SACs are not influential in Chapter 2 decision making. Their "input" is acknowledged by SEA respondents, but it appears to be widely understood that most states expect and enforce a strictly *advisory* role for SACs.

Levels of activity for SACs vary in our case study states. Committees in Colorado and Vermont meet regularly and participate in (or are kept abreast of) program planning and local monitoring and evaluation. (SAC members make local visits in Vermont.) Committee members in another state have accompanied SEA staff to Chapter 2 meetings in Washington, D.C. Many SACs, however, have perfunctory roles. The combination of

irregular meeting schedules, vague or nonexistent responsibilities, and their advisory status renders them ineffective.

Respondents in a few states suggest another reason for SAC irrelevance: political appointments by the governor are not viewed as legitimate in the SEA. One coordinator viewed her state's SAC as a ceremonial assembly made up of friends of the governor. A coordinator in another state suggested that the SAC be appointed by the state superintendent instead of the governor to ensure the educational credentials of committee members. A respondent in a third case study state feels that her SAC contributes little to the program, given the costs associated with convening the committee and sending members to conferences.

It is interesting to compare these states with Vermont, where the SAC nomination process is decentralized. The Vermont committee appears to have a more substantial role in program operations, perhaps because each constituency on the committee nominates its representatives. (The governor makes the formal appointments on the basis of these nominations.)

How, then, are SACs used? Slightly more than a quarter of SEA Chapter 2 coordinators report using members of their SACs as sources of technical assistance (see Table 3-6 in Section 3). LEA Chapter 2 coordinators are extremely unlikely to seek guidance from SAC members; only 5 percent of all LEAs report using these committees as a source of information (Table 3-9 in Section 3).

Discretionary Grants

Table 4-7 indicates that more than half of all SEAs award discretionary grants from state Chapter 2 or reallocated LEA funds. Top reasons for awarding these grants in 1991-92 were to foster educational innovation and encourage activities related to educational reform. Table 4-8 displays the mean and total number of grants by budget category.

Data from the case studies confirm the SEA frequency indicated in Table 4-7. That is, half of our case study SEAs award discretionary grants to LEAs. Maryland, Colorado, and Texas make grants in several areas; Mississippi, Vermont, and Indiana do not make any discretionary grants.

Maryland awards about 25 percent of its share of Chapter 2 funds to locals in the form of discretionary grants. These awards are made in conjunction with state programs

Table 4-7

USE OF STATE DISCRETIONARY GRANTS TO LEAS IN 1991-92

	Percent of SEAs*
SEAs that awarded discretionary grants to LEAs	57.7
Reason for awarding grants†	
To encourage educational innovation	82.8
To encourage activities related to educational reform	75.9
To promote activities in particular target areas	65.5
To promote state education priorities	58.6
To channel funds to LEAs that have particular needs	44.8
To provide specific technical assistance to LEAs	44.8
To target specific student groups	41.4
Other reasons	3.4

* All 52 SEAs responded to these items.

† Based on the 30 SEAs (58%) that awarded discretionary grants.

Source: Items 14 and 16, state survey.

Table 4-8

NUMBER OF STATE DISCRETIONARY GRANTS TO LEAS AWARDED IN 1991-92*

Source of Funds	Mean No. of Grants [†]	Total No. of Grants
20% State set-aside	27	754
Reallocated LEA funds	4	64
Total	31	818

* All 52 SEAs responded to this item.

† Based on the 30 SEAs (58%) that awarded discretionary grants.

Source: Item 15, state survey.

that receive Chapter 2 funds. For example, four middle schools received grants ranging from \$3,800 to \$7,500 to become Instructional Framework pilot sites in 1991-92. Schools compete for these and other grants, and are required to submit evaluations.

Colorado awards discretionary grants to encourage local innovation and creativity. Thirteen local grants were made in 1991-92 from a \$50,000 School/Teacher Incentive Grant Program to target services for at-risk youth. Regional Boards of Cooperative Educational Services (BOCES) also competed for four grants designed to provide staff development opportunities for rural LEAs.

A number of "discretionary projects" at the Texas Education Agency involve grants to LEAs for specific projects. Regional educational service centers receive funds to work with low-performing schools. (This is the Texas Renewal Initiative, the state Chapter 2 effective schools program.) Another project funds several districts to pursue "Problem Solving Skills for Disadvantaged At-Risk Gifted Minority Students." Local grants are also provided in the areas of middle school program evaluation, homeless students, and student database management (a pilot test of the new state information management system).

Direction and Leadership

As we have seen, SEAs must tread a fine line between providing useful guidance to district Chapter 2 administrators and decisionmakers without exerting undue influence over the actual decisions made at the local level. According to the statute, SEAs bear "[t]he basic responsibility for the administration of funds made available under [Chapter 2]" [P.L. 100-297, Sec. 1501(c)]. At the same time, however, each SEA must provide "assurance that, apart from technical and advisory assistance and monitoring compliance with this chapter, [it] has not exercised and will not exercise any influence in the decision-making processes of local education agencies as to the expenditures made pursuant to an application under section 1531" [Sec. 1522(a)(8)]. LEAs are expected to design and implement Chapter 2 programs that reflect local needs and priorities (U.S. Department of Education, Office of Elementary and Secondary Education, 34 CFR 76, 77, and 298, 18 April 1988).

For the most part, it appears that SEAs strike the appropriate balance between these responsibilities. Most respondents to the district survey indicate that state agencies exert no or little influence over the use of local Chapter 2 funds (see Table 5-2 in Section 5).

Local autonomy is consistent with the legislative intent of Chapter 2. The remaining respondents—about 42 percent—report that their SEAs influence a range of program elements, from the mechanics of applying for funds to services to private school students (see Table 4-9).

About half of the 42 percent of districts represented on this item suggest that SEAs influenced their choice of Chapter 2 programs and purchases. This statistic, therefore, represents approximately 21 percent of all districts. It can be interpreted in several ways. We will use the different interpretations of this finding as the point of departure for the discussion in this subsection. The first interpretation is that SEA influence over local Chapter 2 decisions is fairly common, even though it is enjoined by federal regulations. Our qualitative data do not substantiate this explanation at the local level. However, data from two case study SEAs lead us to believe that some SEAs would like to have more influence over local Chapter 2 decisions. An administrator in one of these states felt that the SEA is better equipped to make good decisions for Chapter 2 than are LEAs. Under the strong hand of the state superintendent, some consolidation of state authority is occurring, and these comments appear to reflect the new direction. (This administrator knows that current Chapter 2 guidelines prohibit the kind of state control she desires.)

As we noted above in the decision-making subsection, another state is exerting influence over local program design but not local decision-making. State influence appears especially strong in this case because Chapter 2 has played such a central role in the state's reform process. In this case, state direction and leadership for Chapter 2 are testing but not exceeding the limits of the federal guidelines.

A second interpretation of the reported SEA influence over local program choices is that districts request suggestions for appropriate or innovative uses for Chapter 2 and states readily provide it. This scenario is supported by some of our case study data. Mississippi, for example, has linked Chapter 2 and state National Diffusion Network activities in an annual conference to provide locals with good ideas for Chapter 2. LEAs in this state and others report that they appreciate the "clearinghouse" function of SEAs because it enables them to learn from the experiences of other school districts and thereby focus their Chapter 2 projects. (One SEA respondent, in fact, wished that the U.S. Department of Education would provide similar guidance on appropriate use of funds.) Because of the flexible and supplemental nature of Chapter 2 funds, this type of guidance is appropriate as long as it is not directive. However, it appears to be fairly uncommon.

Table 4-9

STATE INFLUENCE ON LOCAL USE OF CHAPTER 2 FUNDS

District Size	Percent of Districts*									
	Mechanics of Applying for Funding	District Record Keeping	District Monitoring Practices	Choice of Programs/Purchases	District Evaluation Requirements	Types of Students Served	Community Consultation	Services to Private School Students	Other Areas	
All districts	63.6	61.2	56.5	49.6	44.3	22.4	15.9	10.2	2.3	
Very large	72.8	62.3	73.5	32.1	62.1	18.4	21.7	41.0	4.8	
Large	72.8	65.1	67.4	35.8	52.5	20.5	15.8	25.3	3.4	
Medium	67.1	65.7	60.0	38.1	52.0	17.4	16.5	18.4	4.0	
Small	61.7	59.4	54.1	54.7	40.7	24.2	15.5	5.6	1.5	

* Based on 42% of LEAs reporting at least "minimal influence" by state agency staff on use of local Chapter 2 funds (see Table 5-2 in Section 5).

Source: Item 20, district survey.

The first two explanations are plausible but incomplete. A third, more compelling interpretation is that broad reform themes and initiatives at the state level account for how SEAs influence local use of Chapter 2. According to our data, guidance and leadership for local Chapter 2 programs are most likely to be transmitted by means of overarching state reform priorities, not through specific Chapter 2 activities at the SEA level. This situation was present in all the states we visited, although the degree to which local Chapter 2 programs reflected state reforms varied widely. The actual elements of state reform agendas also differed, but state change efforts were much more important than Chapter 2 in explaining the influence we did observe. If we step back from the Chapter 2 program and remember that it is a very small part of the total pool of resources for SEAs and LEAs, this explanation makes even more sense. (Remember, too, that a minority of LEAs nationwide report state influence on local Chapter 2 programs.)

There are several examples that reinforce the third interpretation. In Maryland, respondents at both the state and local levels report that the SEA encourages locals to use Chapter 2 as they see fit. At the same time, the state is also sending strong reform messages to LEAs with respect to standards, assessment, and accountability. (The centerpiece of this effort is the Maryland School Performance Program.) At least one district (Farmdale) has extended the state assessment agenda by developing its own student performance measures. Even though Chapter 2 supports these reforms at the state level, the SEA exerts no influence over how local funds are allocated.

There is a similar relationship between state and local reform activities in Vermont. At the state level, Chapter 2 is closely aligned with state priorities. Moreover, local educational programs also reflect state reforms (particularly in the area of portfolio assessment). Local Chapter 2 decisions are made in the context of this broader influence but are not affected by the state. That is, the SEA influences districts because it sets the overall tone for reform. It is up to Vermont LEAs to decide whether and how Chapter 2 will be used to address these change efforts.

Both state and local respondents in Mississippi refer to the decade since the Mississippi Education Reform Act of 1982 as a fruitful period of educational change and improvement. As in Maryland, some LEA administrators believe that their own districts have surpassed the SEA with respect to reform, but they credit the original legislation with establishing the current reform climate. Chapter 2 allocations in our case study LEAs are insulated from direct state influence, but they reflect state and local objectives for meeting the needs of at-risk students. These priorities, according to local respondents, stem from

overall state goals, which have been gradually realized since the early 1980s. Meeting the needs of disadvantaged students is a major part of the state agenda.

SEAs provide additional direction and leadership to LEAs through procedural and programmatic technical assistance. To the extent that SEAs appropriately influence local program design, the primary vehicle is the overall reform agendas promulgated by these states. Chapter 2 is often aligned with change efforts at the state and local levels, but SEA Chapter 2 processes do not (and should not, according to current Chapter 2 regulations) influence the choice of activities that are pursued locally.

Of course, many other factors are also involved in local Chapter 2 programs. A few district respondents to our interviews criticized different aspects of SEA operations. Other case study data suggest that state influence over local reform is limited or counterproductive. Overall, Chapter 2 is the single most likely source of funds at the local level to be genuinely free of state influence. With a few exceptions, our case study and survey data bear this out.

Table 4-10 indicates the types of assistance local Chapter 2 staff received from state Chapter 2 program staff in 1991-92. Allowable uses of Chapter 2 funds, federal regulations, applications, and reporting were the main types of assistance that LEA survey respondents reported receiving from their SEAs.

Technical Assistance Activities

Technical assistance is a large topic, and data from this study do not suggest a single, precise definition. The term applies to numerous activities at the state and local levels. The definition of technical assistance is also shaped by how state personnel perceive their roles vis-à-vis local educators. For example, an SEA respondent in Mississippi defined technical assistance as the "value added" to local Chapter 2 programs that is over and above the state's monitoring and compliance functions. Certain respondents in other states did not make this distinction. Instead, *all* SEA activities were regarded as technical assistance.

SRI International collected information on two subtopics of technical assistance. The first was guidance provided with respect to Chapter 2 program requirements and regulations. Also known as "procedural technical assistance," this subtopic was treated in detail above under state administrative activities. The second was training and assistance provided as part of activities receiving Chapter 2 support, or "programmatic technical

Table 4-10

**TYPES OF ASSISTANCE LOCAL CHAPTER 2 STAFF RECEIVED FROM STATE CHAPTER 2 PROGRAM STAFF
(Percent of Districts)**

District Size	Provision of Information					Direct Services					
	Allowable Uses of Chapter 2 Funds	Federal Regulations	Applications for Funding	Reporting/Record Keeping	Effective Instruction	Services to Private School Students	Needs Assessment	Program Evaluation	Staff Development	Program Implementation	Other Assistance
All districts	87.7	65.3	61.4	56.9	15.6	29.2	18.4	15.3	14.6	14.2	2.3
Very large	91.7	87.3	66.4	68.9	19.3	73.0	16.8	26.2	15.4	19.9	1.7
Large	90.0	79.4	66.5	65.7	21.0	65.3	23.9	22.9	16.8	21.8	2.9
Medium	87.6	72.5	65.0	64.1	19.8	51.5	26.1	20.5	20.1	20.7	1.4
Small	87.5	62.0	60.0	54.1	13.9	19.7	15.8	13.2	12.8	11.7	2.6

Source: Item 22, district survey.

assistance.” We focus the present discussion on programmatic technical assistance in order to understand how SEAs deliver and support professional development and capacity-building activities with Chapter 2 funds.

To organize this subsection, we subdivide programmatic technical assistance into (1) school reform and effective schools activities and (2) related services delivered in connection with the other target areas. There is substantial overlap between the technical assistance elements of Chapter 2 effective schools programs and state reform agendas. The other target areas also encompass capacity-building activities, especially the professional development category. As we have already observed, the target areas are poor guides for distinguishing between different Chapter 2 activities. The fact that we identify so many training and staff development activities in all areas is a further indication of the unreliability of these categories. Table 4-11 shows the breadth of professional development receiving at least partial Chapter 2 funding. The table illustrates a recurring theme of Chapter 2 programs across the country: professional development projects receiving 100 percent of their funds from Chapter 2 are fairly uncommon.

According to Table 3-2 in Section 3, almost half of all SEAs (45 percent) report an increased emphasis on technical assistance as a result of the 1988 Hawkins-Stafford Amendments. As in the case of most of the survey data, we are not sure exactly what types of technical assistance survey respondents referred to in answering this question. Nevertheless, it is clear that technical assistance for local Chapter 2 programs is an important role assumed by SEAs. Moreover, it appears that SEAs' identification with the role of providing technical assistance is increasing.

Chapter 2 Support for Effective Schools Programs and Other State Reforms

State implementation of the Chapter 2 effective schools requirement often takes the form of training and technical assistance to LEAs. Effective schools set-asides and other Chapter 2 dollars are frequently used to support a variety of state reforms (see Table 2-2 in Section 2). As mentioned previously, several states have moved beyond the correlate-driven model of effective schools and developed more comprehensive (or “systemic”) approaches to school reform and restructuring that include heavy doses of technical assistance.

In Vermont, the effective schools literature was the point of departure for the development of school standards. This process led to current instructional reforms such as

Table 4-11
LEVEL OF STATE CHAPTER 2 FUNDING FOR
PROFESSIONAL DEVELOPMENT

Type of Professional Development	Percent of SEAs*		
	No Chapter 2 Funding	Partial Chapter 2 Funding	100% Chapter 2 Funding
Instructional strategies not linked to a curriculum area (e.g., cooperative learning)	32.7	61.5	5.8
Use of technology in instruction	30.8	59.6	9.6
School-level planning and problem solving	38.5	53.8	7.7
Library/media services	40.4	53.8	5.8
Instructional leadership	44.2	50.0	5.8
School climate/culture	49.0	49.0	2.0
Science	51.0	47.1	2.0
Mathematics	53.8	44.2	1.9
English/language arts	53.8	40.4	5.8
Social science/history	59.6	36.5	3.8
Classroom management	68.7	31.3	0.0
Visual and performing arts	67.3	30.8	1.9
Teacher centers/labs	76.5	21.6	2.0

Note: Rows ordered by level of partial Chapter 2 funding (high to low).

* All 52 SEAs responded to this item.

Source: Item 23, state survey.

the Writing Assessment Program and the Common Core of Learning. SEA staff consult with and train school personnel, helping them analyze school programs and develop and implement local improvement plans. Those plans address the total school curriculum, school climate, school leadership, assessment of student programs, and ongoing professional development.

In Indiana, effective schools correlates also underlie the Performance Based Accreditation system. LEAs undergoing this process receive technical assistance from state personnel, which is supported by the Chapter 2 effective schools set-aside. It consists of the following: planning and conducting staff training activities, promoting awareness of effective schools research and model programs, and disseminating materials of effective practices. Other Chapter 2 funds are underwriting part of Indiana's portfolio assessment project, a major element of its reform plan.

Texas and Mississippi use Chapter 2 to fund technical assistance for schools with performance problems. These states also demonstrate how the Chapter 2 effective schools mandate has been linked with school reform. The Texas Renewal Initiative consumes virtually all of the effective schools set-aside and directs these funds to the 20 regional educational service centers (ESCs) throughout the state. Center personnel identify and provide individualized technical assistance to the 12 lowest-performing schools in their region (as determined by the state assessment program). ESC staff have wide discretion in designing and delivering appropriate interventions to identified campuses. The new commissioner has eyed the Texas Renewal Initiative and the rest of the Chapter 2 program as mechanisms for aligning the technical assistance offerings of ESCs with state reform priorities. The extent to which this actually happens remains to be seen.

Mississippi directs Chapter 2 effective schools dollars to a unit that delivers technical assistance to low-achieving schools. These funds also underwrite professional development for teachers and school administrators in connection with state certification and accreditation requirements. These activities are outgrowths of the Mississippi Education Reform Act of 1982. Like Indiana and Vermont, Mississippi was originally guided by the effective schools movement. Now state administrators are speaking the language of restructuring and increasing local capacity.

Both Colorado and Maryland have used their effective schools set-asides to address broader state reforms. The major strategies employed by Colorado for promoting schoolwide improvement and effectiveness are in-service training, conferences,

dissemination of material, and on-site assistance. The SEA brokers state and local reform resources, including outside organizations supporting school reform and restructuring. Chapter 2 effective schools money pays the salaries of a state instructional technology consultant who delivers technical assistance to LEAs. Chapter 2 is also funding training and preparation of teachers in the new student standards component of the state restructuring plan.

Maryland envisions a similar technical assistance role for the SEA, now that student performance measures and standards have been established. This role is anticipated by current professional development activities on LEA/SEA relations, leadership training, and school-based management. The Chapter 2 effective schools program provides partial support to the Maryland School Performance Program (MSPP). Like Texas, Mississippi, and Indiana, Maryland intends to assist schools that are not able to meet state performance criteria (the intervention aspect of MSPP is still under development).

Technical Assistance and Other Target Areas

We have information from the case studies on programmatic technical assistance elements of the remaining targeted assistance areas. The ambiguity of these categories has already been discussed in detail in Section 2. We use allocations reported in the innovative programs and professional development target areas to estimate national technical assistance expenditures at the end of this discussion. This is done with the understanding that technical assistance activities can be found in all target areas to various degrees. By highlighting some examples of these, we reiterate our skepticism about the usefulness of the target areas as a reporting device for state and local Chapter 2 projects. Nevertheless, professional development and capacity building are key features of Chapter 2, and are legitimately reported in several ways by SEAs.

Like effective schools, the professional development target area is a major technical assistance watershed. Vermont has used Chapter 2 funds to establish a statewide resource center for technical assistance. The training opportunities offered through the center include such topics as portfolio assessment, humanities instruction, guidance and counseling, library and media instruction, and utilization of professional development.

Indiana, Maryland, and Colorado all report providing training for LEAs in the use of technology for classroom instruction. Indiana, like Vermont, is delivering workshops on portfolio assessment. Maryland is using Chapter 2 funds to support technical assistance on school-based management and leadership.

Texas reports a variety of technical assistance offerings. In fact, most of what are called "discretionary projects" at the SEA (i.e., all Chapter 2 activities that are not administration) have technical assistance components. Some examples that are formally classed under the professional development area include training of local personnel to become members of Texas Education Agency accreditation teams, advanced training of accreditation team members to serve as technical assistance resources on local evaluation design, and workshops for SEA staff responsible for discretionary projects.

For **students at risk**, Indiana developed and implemented learning modules and workshops on teaching strategies for at-risk youth. Texas also supported a training program for working with "at-risk gifted minority students" delivered to school personnel in five districts and a larger effort on preparing local staffs to meet the needs of all at-risk students. Colorado uses Chapter 2 funds to provide technical assistance to LEAs and schools through the High Risk Intervention Unit. An SEA consultant assists locals in identifying and implementing cultural competency and dropout prevention models.

Under **materials and equipment acquisition**, both Indiana and Texas provide workshops to users of state telecommunications resources. Indiana has a state clearinghouse of instructional video materials. Its training sessions, supported by Chapter 2, are open to public and private school personnel. The Texas example is a pilot for 10 school districts for teacher training in "Telecommunications and the Writing Process." This program is designed for high school students.

Finally, under **programs to enhance personal excellence and student achievement**, Vermont offers technical assistance in arts and gifted education, Indiana helps LEAs continue a state-inspired Values Awareness Initiative, and Maryland underwrites a student leadership training project.

Estimating the National Expenditures for Chapter 2-Supported Technical Assistance

The widespread use of Chapter 2 to support professional development is a clear and positive finding of the data collected for this project. It poses an analytical problem, however, because it is not possible to disaggregate precise technical assistance allocations from the target areas or program administration. Nevertheless, there is enough information in Table 4-1 above to estimate the total Chapter 2 allocation for technical assistance at SEAs.

The innovative programs (schoolwide improvement and effective schools) and professional development target areas coincide substantially with "technical assistance" as defined in this report. Even though it is improbable that all SEA allocations to these areas result in the delivery of technical assistance to LEAs and schools, we will assume that they do. The sum of Target Areas 3 and 4 yields a provisional estimate of the national Chapter 2 technical assistance allocation: \$33,282,310. Data in Table 4-3 place the total expenditure for administrative technical assistance to LEAs in the development of their local grants at \$2,116,847. The grand total for technical assistance activities supported by Chapter 2 thus is \$35,399,157, a figure that is almost exactly 50 percent of the \$70,939,851 received by SEAs in 1991-92. This estimate is conservative because it does not account for professional development opportunities reported under other target areas. It is reasonable to state, then, that approximately half of SEA Chapter 2 allocations are spent to deliver technical assistance services to districts and schools.

It is clear from our data that Chapter 2 is a small source of funds for what are frequently very broad, comprehensive, and expensive technical assistance and professional development agendas at SEAs. Knowing this helps keep our study data in perspective. Because Chapter 2 makes contributions to larger efforts, it is not always possible to specify exactly what role these funds are playing by themselves. There are exceptions (certain effective schools activities, for example), but the overall trend is one of support at the margins of existing technical assistance initiatives.

SEA Accountability Mechanisms and Evaluation Activities

State Evaluation of LEA Chapter 2 Programs

The balance that SEA Chapter 2 administrators seek between compliance monitoring and capacity building is reflected in the accountability mechanisms used at the SEA level. As we have seen in the technical assistance section, SEAs view their role vis-à-vis LEAs more as facilitators than as monitors. Consequently, SEAs attempt to minimize accountability requirements and seek to turn monitoring efforts into opportunities for technical assistance. Many SEAs, for example, require little more statistical data from LEAs than what the SEA is required to provide the Secretary of Education. In most SEAs, evaluation requirements are also kept to a minimum. Additionally, on-site monitoring of Chapter 2 programs is often integrated into accreditation visits regularly conducted by the SEA or combined with reviews of other federal programs to ease the burden placed on LEAs and schools. SEAs indicated that about 20 percent of their administration dollars

were allocated for monitoring and evaluation of Chapter 2 programs and activities (see Table 4-3).

Table 4-12 presents the frequency with which SEAs use different accountability strategies in monitoring and evaluating LEA Chapter 2 programs. The strategies used most frequently are review of LEA applications, review of LEA evaluations, and review of other LEA documentation. Fewer than half of the SEAs indicated that they conduct yearly evaluation studies.

All the SEAs in the case study states require annual Chapter 2 applications from their LEAs. These applications typically include program descriptions, allocations by target areas, projected participation rates of students and teachers, justification for funded programs, program objectives, and plans to evaluate the attainment of program objectives. SEAs use the information provided in the applications to verify that planned LEA programs are in compliance with federal and state regulations. That is, among other things, SEAs verify that LEAs comply with the supplement-not-supplant requirement, that funds are allocated to appropriate target areas, that equipment is purchased for allowable purposes, and that LEAs adhere to SEA limits on administration and indirect expenditures.

Although LEAs are almost always required to describe their plans for evaluation of program objectives, SEA expectations of what LEAs do with the evaluation data collected vary. LEAs are required to keep original evaluation data and reports in their files for state and/or federal monitoring reviews. Additionally, five of the six case study states require end-of-the-year reports of their LEAs. These reports request some form of evaluation information.

The formats for LEA evaluation reports in Texas and Mississippi are minimal. Texas's request is optional and asks for "a description of an exemplary or model program." About 40 evaluations were submitted last year and were forwarded to ED in the state's annual report. Leland responded to this request in school year 1991-92 by including evaluations of three programs. In two of the programs, the evaluation consisted of a description of the program, the population served, the activities and services provided, and outcomes based on a teacher survey. In the third program, the outcome data consisted simply of statements asserting accomplishment of program objectives, such as "AP Chemistry is offered; it has never before been offered" and "24 seniors worked as summer interns with local engineering firms, military bases."

Table 4-12

STRATEGIES USED AND FREQUENCY OF SEA MONITORING AND EVALUATION ACTIVITIES

Strategy	Percent of SEAs*						Mean Rating†
	More Often Than Yearly	Yearly	Every 2 Years	Every 3 Years	Less Often	Never Used Strategy	
On-site review	0	5.8	23.1	42.3	28.8	0	3.9
Telephone review	17.0	17.0	2.1	2.1	19.1	42.6	4.2
SEA evaluation study	0	48.9	2.1	10.6	29.8	8.5	3.5
Review of LEA evaluation	2.0	73.5	2.0	4.1	10.2	8.2	2.7
Review of LEA application	8.2	91.8	0	0	0	0	1.9
Review of other LEA documentation	14.0	58.0	1.0	8.0	6.0	12.0	2.7
Other strategies	3.8	3.8	0	3.8	0	88.5	5.6

* All 52 SEAs responded to this item.

† Based on a 6-point scale: 1=more often than yearly, 2=yearly, 3=every 2 years, 4=every 3 years, 5=less often, 6=never used strategy. (The midpoint is 3.5.)

Source: Item 28, state survey.

Mississippi's requirement is mandatory but simple: "Attach a description of one of your program areas including any evidence of effectiveness." Vermont and Maryland request an evaluation report on each project funded describing, among other things, the results of the evaluation of that project. Maryland specifically asks that LEAs explain what was particularly effective and what can be done to improve the program.

Colorado has the most extensive requirement of all the case study states. For each Chapter 2 project, LEAs are asked to rate the attainment of outcomes as well as to provide a narrative describing evidence of effectiveness. Additionally, for school year 1991-92, for example, LEAs were required to complete a survey of each project aimed at at-risk students or dropout prevention and of professional development projects. The survey specified program outcomes and asked the LEAs to respond whether each outcome was applicable to their projects, whether their project showed evidence of positive effect in terms of the outcome, the number of students/staff targeted to achieve it, and the number achieving it.

SEA respondents, however, were careful to explain that what is acceptable as an evaluation report can vary greatly in content and quality. In most cases, the LEA evaluation is not a high-stakes activity. Only in Colorado did the SEA stress that evaluation forms for the previous year must be submitted in order for the next year's application to be processed.

In addition to desk reviews, all of the states conducted some type of on-site monitoring of Chapter 2 programs. Most of these were conducted in conjunction with monitoring of other federally funded programs or in conjunction with school and district accreditation reviews. Maryland, however, visits half of its local units each year on a rotating basis. The units that are not visited are required to fill out an annual review form. Most of the information Maryland requests has to do with compliance issues. In fact, one of the major reasons for all these SEA on-site visits is to verify that districts and schools are in compliance with state and federal regulations and requirements. Maryland specifically stated that its visits are conducted in anticipation of the annual state audits.

Evaluation of SEA Chapter 2 Programs

In addition to these LEA activities, states also monitor and evaluate Chapter 2-funded activities at the SEA level. In some SEAs, the monitoring and evaluation is encompassed by the normal course of work at the SEA. For example, in Indiana, all workshops presented by SEA staff are evaluated, regardless of funding. No separate

efforts are made in Indiana to evaluate any Chapter 2-supported activities. In Vermont, the evaluation consists of the Chapter 2 coordinator's requesting input from staff on the value of Chapter 2-funded activities.

On the other hand, some SEAs annually conduct actual evaluations of the state Chapter 2 programs or components of them. For example, Maryland requires each SEA-funded project to submit an evaluation. The requirements are similar to what is requested of LEA projects: descriptions of project purpose, objectives, and the measurement of objectives. In addition, SEA-funded projects are required to indicate how their project supported "Schools for Success," Maryland's state reform effort linked to AMERICA 2000 and the National Goals.

Perhaps the most comprehensive evaluations in our case study sample are conducted by the discretionary projects funded by the Texas SEA. In 1991-92, the SEA funded 17 discretionary projects. They were overseen by the Chapter 2 office but coordinated by other program directors in the Texas Education Agency. Each project conducted its own evaluation focusing on its specific program objectives. The purpose of these evaluations, however, was more to inform the Texas Education Agency than to inform the Chapter 2 coordinator of the discretionary programs' effectiveness.

Colorado is unique among the six case study states in that it systematically requests of LEAs an evaluation of the SEA Chapter 2 services and technical assistance. LEAs are required to include as part of their end-of-the-year evaluation report their responses to whether they have heard of or used the specific SEA-sponsored activities, and their degree of satisfaction with them.

Summary

SEAs play an intermediate role in Chapter 2, balancing federal requirements and intent with local flexibility and autonomy. States attempt to play roles that are consistent with both of these orientations and are mostly successful in doing so.

States spend approximately \$17 million administering the Chapter 2 program, bearing a disproportionate share of administrative responsibilities vis-à-vis LEAs. Federal program administration is spread across different units of the agency, and federal administrative activities are commonly blended with existing organizational functions. SEA personnel perform a variety of Chapter 2 administrative functions, with local

applications and the application process constituting the largest share of SEA administrative appropriations.

There is typically no relationship between Chapter 2 administration and decision-making at the state level, with decision-making authority vested in few hands at fairly high levels of state education bureaucracies. For the most part, Chapter 2 state advisory committees are not influential in SEA decision-making. Their input is acknowledged, but for the most part their role is strictly advisory.

SEAs strike an appropriate balance between providing useful guidance to district Chapter 2 administrators and decisionmakers without exerting undue influence over the actual decisions made at the local level. Direction and leadership for local Chapter 2 programs, when they occur, are most likely to be transmitted by means of overarching state reform priorities, not through specific Chapter 2 activities at the SEA. Chapter 2 is often aligned with change efforts at the state and local levels, but SEA Chapter 2 processes do not influence the choice of activities that are pursued locally.

Approximately half of SEA Chapter 2 allocations are spent to deliver procedural and programmatic technical assistance services to districts and schools. Procedural technical assistance relates to Chapter 2 program requirements, regulations, and allowable uses of Chapter 2 funds. This type of technical assistance is delivered through information in annual application packets, annual meetings and conferences, site visits, and telephone calls. Programmatic technical assistance provides training and assistance as part of activities receiving Chapter 2 support. This type of assistance can be found in all target areas to various degrees, but can be found substantially in the target areas for innovative programs and professional development.

SEAs view their role vis-à-vis LEAs as being more facilitators than monitors. Consequently, SEAs attempt to minimize accountability requirements and seek to turn monitoring efforts into opportunities for technical assistance. The strategies used most frequently by SEAs to monitor and evaluate LEA Chapter 2 programs are review of LEA applications, review of LEA evaluations, and review of other LEA documentation. States also monitor and evaluate Chapter 2-funded activities at the SEA level, either through the normal course of work at the SEA or through actual evaluations of the state Chapter 2 programs.

5 LOCAL IMPLEMENTATION

A major goal of this study is to provide policy makers with information on the implementation of the Chapter 2 program at all levels. Of particular interest is a description of Chapter 2 administrative and decision-making processes, including procedures for monitoring and evaluating program outcomes. Our analyses address the requirements of the Chapter 2 legislation in these areas, as well as contextual variables that influence local implementation practices.

As pointed out in earlier sections of this report, one intent of the Chapter 2 legislation is to increase local flexibility to foster educational improvement and to reduce administrative burden. The majority of Chapter 2 funding is directed to local school districts through a formula basis to help achieve these goals. In this section, we will discuss the goal of reducing administrative burden at the local level, how flexibility and contextual factors affect local decision-making practices regarding Chapter 2 activities, and the technical assistance, monitoring, and evaluation functions associated with local Chapter 2 activities.

Administrative Activities

As discussed in Section 3, the administrative requirements placed on school districts by the Chapter 2 legislation are broadly stated and minimal relative to other federally supported programs. LEAs must outline their planned allocation of funds among the target areas (including services to private school students) and provide certain types of information to the SEA (i.e., expenditures and evaluation data) for reporting purposes. Below we describe the administrators who are assigned the responsibility for Chapter 2 coordination at the local level. We then explore the nature of the tasks they perform and the administrative costs associated with these tasks. Finally, we examine perceptions regarding the administrative burden imposed by the Chapter 2 program at the local level.

Administrative Structure of Local Chapter 2 Programs

A variety of types of local staff carry out the responsibility of administering the Chapter 2 program, and they typically do so as one of several other assignments. As with other small federal programs, administering the Chapter 2 program is usually one of many responsibilities held by the designated Chapter 2 coordinator, but the range of responsibilities can vary. The larger the district, the more specialized the job of the

coordinator tends to become (e.g., the federal/state program director). In small districts, there are fewer administrators who have more varied responsibilities, or Chapter 2 administrative responsibilities may have been delegated to the school level (e.g., the school librarian). This pattern was evident in the first national study of Chapter 2 and is supported by our current analysis.

The range of individuals who had responsibility for administering the Chapter 2 program in our 18 case study sites covered a wide range of job titles and responsibilities: (1) assistant superintendents, (2) federal/state program directors, (3) instructional program directors, (4) staff development coordinators, (5) Chapter 2 coordinator, and (6) other (a multitude of responsibilities including student support services, library/media, transportation, federal/state programs). Only one district had a full-time Chapter 2 coordinator. Descriptions of three of the designated Chapter 2 coordinators in our case study sample illuminate the scope of responsibilities held by these individuals:

One of the seven supervisors of instruction in Adams is the designated Chapter 2 coordinator. He spends approximately 10 percent of his time attending to the Chapter 2 program. As an administrator in a medium-sized district, his other responsibilities include coordination of the state testing program and being the specialist in charge of science, media, Drug Free Schools, health, environmental and outdoor education, family life education, and the Eisenhower math grant.

The Chapter 2 coordinator in a very large LEA (Farmdale) also acts as the curriculum specialist for the gifted and talented program and the high school social studies program. About 10 percent of his time, on average, is spent administering the Chapter 2 program, none of which is charged to the program.

In a supervisory union consisting of three small rural districts (Acacia), the assistant superintendent is responsible for the coordination of K-12 curriculum development, professional development, and federal grant development and administration, including Chapter 2, Title II, and Drug Free Schools.

Although the size of the district is an important factor in the choice of Chapter 2 coordinator, it is not necessarily the sole determinant of who is assigned the responsibility for the Chapter 2 program. Another factor is the main thrust of the Chapter 2 program. For example, if a substantial amount of Chapter 2 funds is used to support staff development activities, the staff development coordinator can be assigned responsibility for the district's

Chapter 2 program. We saw several instances where substantive knowledge of an area determined the job of Chapter 2 coordinator:

In one of the very large LEAs (Farmdale), state and federal programs are organized by function so that each program is the responsibility of a different person at the central office. The role of Chapter 2 coordinator became the responsibility of the gifted and talented curriculum specialist because all of the district's public share of Chapter 2 funds support the gifted and talented program.

In another large suburban LEA (Bay View), the majority of the district's Chapter 2 funds are set aside for staff development. Given the long-standing priority placed on Chapter 2-supported training, responsibility for Chapter 2 administration falls to the district's staff development coordinator.

The assistant superintendent for instruction in Central Valley is in charge of the Chapter 2 program, since Chapter 2-supported at-risk program activities deal primarily with curriculum and instruction issues.

The Chapter 2 coordinator in Packwood acquired his job because of his background in media services. The district supports primarily materials acquisitions with Chapter 2 funds to supplement subject areas and to enhance its media centers.

Finally, unlike other federal programs, Chapter 2 is often a series of activities at the local level rather than a unified program. Variation in activities contributes to the diversification of Chapter 2-designated administrative staff across districts and also explains the distribution of responsibilities for various tasks within districts. Descriptions of Chapter 2 administrative responsibilities are provided below. The end result of a diversified staff is that Chapter 2 funds often pay only part of the costs of an activity or program, and administrative costs are often not assigned to the Chapter 2 program.

Administrative Tasks

The statutory goals of the Chapter 2 program are most explicit about forms of paperwork [P.L. 100-297, Section 1522 (a)]:

- **Applying for funds.** Districts must submit annual Chapter 2 applications to their respective state agencies, or in some states a yearly update of the triennial application. Application requirements vary across states, but are typically very simple.
- **Accounting for expenditures.** As with all federal programs, districts must account for their uses of Chapter 2 funds in ways that satisfy state

fiscal accounting standards. In this respect, Chapter 2 differs little from many other federal programs.

- **Reporting to state and federal agencies.** The law requires districts to report to the SEA whatever it deems necessary for purposes of evaluation or fiscal audit. It also requires LEAs to report annually to the SEA on the LEAs' use of funds. No reporting to the federal level is necessary. In keeping with the commitment to reduce administrative and paperwork burden, evaluations and other reports are generally short and not elaborate.
- **Evaluating the use of funds.** Districts are not responsible for a formal annual evaluation of their Chapter 2-supported activities, unless the SEA asks them to do so.
- **Administering services for private school students.** District staff are required to administer services for students in eligible private schools within district boundaries, except in states that have a "bypass" arrangement (a third-party contractor administers federal programs for private school students rather than the district). The size and complexity of this administrative job vary directly with the number of eligible private schools. This issue will be discussed in greater detail in Section 6.

Other tasks, some of which are not explicitly outlined in the regulations, can require a considerable investment of time, such as supervising programs and purchases.

In many of our case study sites, administrative responsibilities related to the Chapter 2 program are fairly straightforward and are handled in a routine fashion by the Chapter 2 coordinator:

Two of the Chapter 2 coordinators in Maryland summarized their responsibilities as falling into four areas: preparation of the application for funding, evaluation, outreach to private school children, and program monitoring. The application process begins in January, when an estimate of Chapter 2 funding is received from the SEA. Written proposals from both public and private schools are solicited, and a meeting is held with private school officials to discuss program options. This information is consolidated into the LEA's application submitted in mid-May for SEA review. Any follow-up questions from the state are addressed during the review period. Local monitoring of activities for private school children is conducted during the school year, and the Chapter 2 coordinator must also prepare for the annual site visit from the SEA to review Chapter 2 program implementation. A progress report or final evaluation based on a simple form distributed by the SEA is completed at the end of the school year. The SEA sponsors an

annual coordinators' meeting in the spring to discuss Chapter 2 program issues.

The specific administrative tasks of the Chapter 2 coordinator in a medium-sized district in another state include the following: arranging meetings of the Chapter 2 advisory committee, setting meeting agendas, conducting an annual needs assessment, writing the Chapter 2 application based on advisory committee recommendations and the local needs assessment, submitting the application to the superintendent for approval, submitting the approved application to the school board for final approval, corresponding with the SEA, and working with the schools to implement the program.

In larger districts, the supervision of Chapter 2-supported programs or activities may fall to staff other than the Chapter 2 coordinator, but the Chapter 2 coordinator (and staff, if any) typically retains an overall supervisory responsibility and must oversee the expenditures of the Chapter 2 funds.

In Leland, the director of special programs is the Chapter 2 coordinator. His role is to administer the funds (with the support of his secretary), while curriculum directors administer the programs that are supported by Chapter 2 funds. For example, a curriculum specialist for elementary social studies oversees two of the district's Chapter 2-supported activities to enhance curriculum and instruction: Kids Net uses a telecommunications approach to teach geography lessons, and computer hardware and software purchases, with associated staff development activities, encourage the infusion of technology into social studies instruction.

The Chapter 2 coordinator in a very large, urban district maintains administrative responsibility for the program, but delegates the day-to-day responsibility of overseeing program operations to four other administrative staff. A full-time programmer is used to track and monitor expenditures for the multitude of Chapter 2-supported activities at both the district and school levels. The private school coordinator and her secretary spend part of their time serving as liaisons with private schools that have children participating in the district's Chapter 2 program. A consultant carries out other routine administrative tasks associated with the program on a part-time basis (e.g., answering questions from school and district staff about the program, reviewing applications, conducting monitoring visits). In addition, there are staff members at the district and school levels who have responsibility for implementing Chapter 2-supported activities (e.g., a staff development coordinator oversees the district-level staff development component of the Chapter 2 program).

Administrative Burden

The reduction in the level of administrative burden under the block grant was to be achieved by consolidating the number of programs that LEAs had to administer in order to receive funding, placing fewer restrictions on funds, and requiring fewer reporting mechanisms. According to the findings from the first national study of Chapter 2 and our current research, the goal of reduced administrative burden has been achieved. Despite this general conclusion, there are circumstances under which the Chapter 2 program can be viewed as burdensome at the local level: state-imposed requirements, local contextual factors, and participation of private school children (discussed in the next section).

State interpretation of federal Chapter 2 requirements can account for variation in the burden associated with tasks that the SEA influences most directly: applying for funds, reporting and accounting for expenditures, and evaluating the uses of funds. The perception of burden at the local level can be enhanced by local practices or circumstances. Some examples from our case study sites will illuminate this point.

One of the states that we visited requires that LEAs adhere to state accounting categories in their reporting of Chapter 2 expenditures. For those districts that use different accounting systems, tracking and reporting Chapter 2 expenditures becomes very cumbersome. Any major changes in proposed Chapter 2 expenditures from one accounting category to another must also be approved by the SEA. Districts that do not want to take the time to go through the approval process discourage any changes in program activities, diminishing the flexibility of the Chapter 2 program.

District accountability mechanisms are influenced largely by SEA accountability requirements. In many of our case study districts, for example, the same application and evaluation requirements that the SEA places on LEAs are passed along to all program participants in the district. As a result, for each activity supported by the district's Chapter 2 funds, an application form and an evaluation form are prepared by staff in charge of the activity, thereby creating multiple levels of administrative paperwork.

These examples are in contrast to states that we saw whose practices resulted in minimizing the burden on LEAs. The reduction in burden at the local level, however, was usually a by-product of an SEA requirement rather than the impetus for changing practices by the SEA. For example, one state requires its LEAs to identify just one target area for purposes of the annual report to ease the tracking of expenditures. By simplifying its own monitoring task, the SEA has also benefited the LEAs.

One of the highest levels of self-imposed administrative burden was incurred by districts that have initiated large-scale minigrant programs supported by Chapter 2 funds. In the LEAs we visited, minigrants were given to schools to support programs within the larger Chapter 2 program. Each recipient completes an application form similar to that required of the LEA (e.g., a description of program activities, the number of students and staff served, a budget summary, expected outcomes), submits a revised plan if program activities change, and prepares evaluation data (informal data is often all that is required). District staff develop criteria against which grant applications are evaluated and may convene a selection committee to review each application. Once grant recipients are selected, program expenditures are monitored on a regular basis to ensure that funds are being expended, that expenditures are in the designated budget categories, and that requisition forms are in order. Program administrators also spend time fielding questions from grant recipients, usually regarding procedural details (e.g., what adjustments in activities are acceptable, when requisitions should be submitted), as well as visiting projects to view program activities. In some LEAs, funds that are not expended by grant recipients are "recaptured" and used to fund additional activities at the district level. Despite the additional effort required to administer minigrant programs, respondents in our case study sites viewed the minigrant process as very worthwhile because small amounts of funds were encouraging innovation or empowering school staff by providing them with resources over which they have some control.

Administrative Costs

The costs of administering the Chapter 2 program are usually borne by the school district. Only 12 percent of districts charge administrative costs, and the average or mean allocation is \$934, based on LEAs that do and do not report administration costs, which represents only 3 percent of the total Chapter 2 public school allocation. If we look at the 12 percent of districts that do charge for Chapter 2 administrative costs, we see that the median allocation across all districts in 1991-92 was \$27,517, with 50 percent of districts charging more and 50 percent charging less than this amount. As illustrated by Table 5-1, at the higher end of the distribution are the largest districts (those with enrollments of 10,000 or more), with median allocations from \$477,747 to \$132,102. At the other extreme, the median allocations for administrative costs in medium and small districts were \$42,004 and \$7,400. Regardless of the variation in median allocations, administrative costs (where charged) represent, on average, between 7 percent and 8 percent of a district's total allocation.

Table 5-1

CHAPTER 2 ADMINISTRATIVE COSTS

District Size	Percent of LEAs with Admin. Costs		Median Allocation*	Mean Percent of Total Allocation	
	1984-85	1991-92	1991-92	1984-85	1991-92
All districts	13	12.3	\$27,517	4	6.9
Very large (25,000 or more)	76	67.1	477,747	4	8.0
Large (10,000 to 24,999)	56	45.9	132,102	3	6.5
Medium (2,500 to 9,999)	17	22.6	42,004	4	6.7
Small (less than 2,500)	19	6.7	7,400	7	6.9

* Median amount and mean percentage are based only on those districts that did put Chapter 2 funds into administration (includes both public and private school allocations). The total allocation for administration at the local level is \$12,236,155.

Table 5-1 also illustrates that the larger the district, the more likely it is to allocate expenditures to Chapter 2 administration: 67 percent of very large districts charged for program administration, while only 7 percent of small districts allocated program administration costs. The larger districts are understandably more likely to have additional administrative work associated with their Chapter 2 program, given the larger number of activities funded, the larger scope of many of the Chapter 2 activities, and the involvement of large numbers of private schools.

When administrative costs are charged, they are used to cover the salaries of administrative staff (e.g., program supervisors, support staff, clerical staff) or are charged through an indirect cost rate, as we found in several of our case study sites. An indirect cost rate is derived by identifying costs associated with a program (those directly charged to a program and those that cannot be directly billed) and applying a formula determined by the state budget office in accordance with OMB directives. These funds cover the indirect program costs associated with salaries and fringe benefits, janitorial services, travel, office expenditures, repairs, etc.

In a large urban district, 8 percent of the district's Chapter 2 budget was charged to administration. These funds were used to support 1.75 FTEs designated as administrative staff: one full-time programmer who is responsible for tracking and monitoring expenditures, 25 percent of the time of a consultant who is responsible for the day-to-day administrative activities of the program, and 10 percent of the time of the private school coordinator and 40 percent of her secretary's time to work with 67 private schools. Another 5 percent is allocated for indirect charges for use of office space and materials.

In Green Oaks, administrative dollars are used to pay the salaries of two college students during the summer to process materials acquired by the schools through Chapter 2. The district also applies an indirect cost rate of 3.3 percent to pay for other administrative tasks, such as preparing the district application and overseeing Chapter 2 expenditures.

Fremont allocated \$84,928, or 4.9 percent of its Chapter 2 allocation, to administration. These funds are used primarily to support staff salaries—a full-time Chapter 2 coordinator and part of her secretary's time. It also includes a small indirect cost rate.

The majority of LEAs in our case study sample that charged for program administration were very large districts, but there were also examples within our sites of large districts that did not charge for program administration. The reasons given by districts

for not charging for administration of the Chapter 2 program generally fell into two categories: (1) administrative charges are subsumed under the other roles staff perform, or (2) they are absorbed by the larger program costs where Chapter 2 contributes only a portion of the costs (it is too difficult to track individual contributions within the program).

In other instances, we found extenuating circumstances influencing the decisions of local administrators on whether or not to charge for Chapter 2 administration. In one large LEA, district staff were under the impression that they were not allowed to charge administrative expenses to the Chapter 2 program because of the legal ramifications—it would be considered supplanting since the majority of Chapter 2 activities support staff development and the designated Chapter 2 coordinator was already being paid to serve as the staff development coordinator. In one of the states in our sample, the SEA has decided that districts should not charge any administrative costs to the Chapter 2 program because the low level of burden imposed by the program does not justify administrative expenses. Some of the larger districts in the state are allowed to charge for program administration (2-3 percent of the total allocation plus a small indirect cost rate) because of the size of many of their programs, although some of these larger districts have elected not to take advantage of this option.

The lack of administrative charges to the Chapter 2 program is a long-standing tradition. In 1984-85, most districts of enrollment under 10,000 did not charge administrative costs (see Table 5-1). Lack of reimbursement for administrative costs was not widely perceived as a problem by these districts. On the other hand, more than half of the large districts and three-quarters of the largest districts (those with enrollments of 25,000 or more students) used some of their Chapter 2 funds to cover administrative expenses. Administrative costs in 1984-85 amounted to 5.4 percent of the total local Chapter 2 funds nationwide. When compared with 1991-92 data, we see that there has been a 2 percent decline over the past seven years in the proportion of Chapter 2 funds allocated for administration.

Chapter 2 Decision Making

Since one of the goals of the Chapter 2 legislation is to provide SEAs with the flexibility to address local educational needs, the design of local Chapter 2 programs is left up to local decisionmakers within wide boundaries set by general statutory requirements (i.e., broad target areas and fiscal controls such as supplement-not-supplant). But because the design of local Chapter 2 programs is of interest to federal policy makers, our research

addressed the process by which local administrators decide how to use their Chapter 2 allocations. Our investigation of the local decision-making process is concentrated on four aspects of the process: (1) how LEAs make decisions about the design of their Chapter 2 program, (2) how consistent is this process, (3) who is involved in making the decisions (including the extent of SEA influence), and (4) how funds are disbursed and coordinated at the local level. The majority of our conclusions about local decision-making practices are based on data from our case study sample because of the complexity involved in trying to assess how programs are designed and the associated factors that influence decisions.

We found that Chapter 2 decision-making practices vary at the local level in terms of the process involved and its duration, the principal decision makers, and the amount of parental input. Decision-making practices appear very idiosyncratic and cannot be explained by the size of the district, who is in charge of the program, what types of activities are supported by Chapter 2, or the community context. Below, we provide examples from our case study data to illustrate the extent of variation in local decision-making practices.

The Decision-Making Process

The process used by local school districts to determine how Chapter 2 funds should be used did not follow any set patterns. The flexible nature of the funds seemed to open up endless possibilities for how decisions are made. Decisions might have direct linkages to district priorities or only indirectly touch on formally identified priorities. The number of individuals involved in decision making can be very few or can include many different people; the more people involved, the greater the number of steps required before decisions are finalized. In some instances, decisions about Chapter 2 reflect the typical decision making practices of the LEA (usually centralized at the district office); in others, it represents a departure from the ordinary (often associated with the trend toward increased site-based management). Nevertheless, we were able to discern two different approaches to the local Chapter 2 decision-making process.

Some districts treat decisions about their Chapter 2 program as completely separate from the customary district decision-making process. The Chapter 2 program has a separate identity and is therefore not subject to the steps or players involved in decisions about the regular educational program.

In a medium-sized suburban district, the Chapter 2 coordinator, who is also the assistant superintendent, essentially decides how the Chapter 2 funds will be spent, although her decisions are discussed with an advisory committee.

Although Chapter 2 funds have had a long-standing tradition of reinforcing the school's media centers, Chapter 2 funds have also been used to support various activities each year as needs arise. For example, about 4 years ago, the Chapter 2 coordinator decided to initiate a minigrant program to help support innovative and effective ways to respond to students' needs.

The board-appointed Federal Programs Citizens' Advisory Committee in Lennox has used Chapter 2 funds to protect district technology purchases because the acquisition of hardware is a nonpolitical and hence easy target for budget cuts from the general fund: "People are not laid off if you eliminate hardware." Preparation of students to use technology is one of the county's informal goals, and Chapter 2 funds ensure that this goal is addressed.

Other districts fold decisions about Chapter 2 into their regular decision-making process because Chapter 2 is viewed as a funding source to support district priorities.

In a large urban LEA, administration of the Chapter 2 program is embedded in the district's decision-making process. District administrators have decided to use Chapter 2 funds to address the needs of the increasing numbers of at-risk students who have entered the district. This decision by administrators was made in conjunction with the district budget committee, who have increasingly looked at Chapter 2 funds to support LEA priority areas as state and local funding sources have declined.

The majority of Chapter 2 funding in Bay View has always been directed toward staff development to address the broad-based changes required to meet the district's ambitious reform agenda. As a result, many of the decisions about the Chapter 2 program are tied up with the yearly priorities set for the district and incorporated into the regular LEA decision-making process.

Consistency of the Decision-Making Process

It appears that the process for making decisions about how to use Chapter 2 funds has either followed a consistent pattern across the years or taken on a new approach, usually in connection with the appointment of a new Chapter 2 coordinator or changing local priorities. Less often, change in the decision-making process can also be the result of an unworkable or inefficient arrangement. Taking the same approach to the decision-making process is generally linked to continuous support for specific activities. Consistent funding of certain target areas is the function of a continuing local need or the lack of a better idea. A district that has maintained a consistent process and goal for its Chapter 2 program is contrasted with one that has initiated changes in Chapter 2 decision-making practices:

Over the past 6 years, the gifted and talented program has been the primary recipient of Chapter 2 funds in a very large suburban district. The gifted and talented program is a system priority and is strongly supported by the professional parents of this upper middle class community. The citizens' advisory committee, which sets the priorities for the Chapter 2 program, meets once a year to discuss allowable uses of Chapter 2 funds. Although alternative uses have been discussed, the committee has always voted to fund the gifted and talented program. Its recommendations are then sent to the district's curriculum committee and finally to the superintendent for approval.

When the Chapter 2 coordinator in Skyline took over her position, she initiated some changes in how decisions were made regarding the use of Chapter 2 funds. Instead of the central office's making all of the decisions, a wider assortment of staff were brought into the process. A Chapter 2 Advisory Council made up of administrators, teachers, parents, librarians, and support staff was formed to become the primary decision-making body for the Chapter 2 program. The council bases its decisions on an annual needs assessment. Once areas of program support have been defined, separate subcommittees within the council develop program specifics more fully. Decisions about materials acquisitions with Chapter 2 funds have now been delegated to the schools.

Chapter 2 Decision Makers

Chapter 2 law [P.L. 100-297, Section 1533 (a)] and regulations [Section 298.6 (c)] state that there must be "systematic consultation" in the allocation of Chapter 2 funds and in the design, planning, and implementation of Chapter 2-supported programs with administrators, teachers, parents, and other groups involved in the implementation of Chapter 2 activities. In practice, it is very difficult to assess how systematically all of these groups are involved in decisions regarding the local Chapter 2 program. Using our case study sites as a yardstick, we found that the number and types of individuals involved in Chapter 2 decision making were not consistent. In general, Chapter 2 decision making was concentrated at one level of the system (the central office) among a few key decision makers, or there were multiple levels of decision making and hence multiple decision makers. Two of our case study sites illustrate these differences.

In a medium-sized urban district, Chapter 2 decisions are all made at the district level with limited input from the schools. The superintendent and Chapter 2 coordinator make all of the decisions regarding the use of Chapter 2 funds on the basis of their knowledge of other budgets and overall district priorities. This centralized decision-making process for Chapter 2

runs counter to the district's support for increased site-based decision-making.

In Bedford, Chapter 2 funds are distributed through three different channels, and each channel has a different set of decisionmakers. Suggested priority areas for districtwide Chapter 2 programs are elicited from district- and building-level administrators, school staff, and parents. This input is reviewed by the Administrative Council and the Chapter 2 Advisory Board before priorities are finalized. Individual principals differ in how they make decisions about Chapter 2 funds that are allocated for school programs. For example, some schools conduct a formal needs assessment, and others hold brainstorming sessions. Chapter 2 funds allocated to support a competitive minigrant program are distributed through a minigrant committee. The committee consists of volunteer teachers who review all the proposals submitted for funding and determine whether the grant should be fully funded, partially funded, or not funded at all.

If we turn to the survey data for national estimates of which groups of individuals have the greatest influence on decisions regarding the use of local Chapter 2 funds, we find that school administrators and the Chapter 2 coordinator are given the highest mean ratings, followed by teachers/teacher unions and other district staff (see Table 5-2).

When compared with data from the first national study of Chapter 2, it appears that key decision makers have not changed over the years. In 1984-85, district (the superintendent, Chapter 2 coordinator, other officials) and school staff (principals and teachers) were the most highly ranked among groups having the greatest influence on Chapter 2 decisions.

As discussed in Section 4, Chapter 2 legislation prohibits SEAs from exercising any influence in the decision-making processes of LEAs in how they expend their local Chapter 2 funds. The survey data show that SEAs have indeed not had much influence on LEA decisions on how they will use their Chapter 2 funds. In the majority of districts (84 percent), state agency staff were rated as having no or minimal influence over local Chapter 2 decision making. These data are borne out by our case study sites, where respondents indicated that their SEA had little (if any) influence on how they as LEAs decided to use their local Chapter 2 funds, even when the SEA suggested particular priority areas. Although there may have been some overlap between activities funded by the SEA and LEAs in our case study sites, it was generally coincidental; many of the districts had little knowledge of state-level Chapter 2 priorities or activities.

Table 5-2

GROUPS INFLUENCING USE OF LOCAL CHAPTER 2 FUNDS

Group	Percent of Districts*				Mean Rating†
	Not at All	Minimally	Moderately	A Great Deal	
State agency staff	58.1	26.2	11.8	3.9	1.6
Chapter 2 coordinator	10.8	11.0	31.9	46.2	3.1
Other district staff	12.7	10.5	36.6	40.2	3.0
School board members	34.0	33.5	23.3	9.2	2.1
School administrators	3.0	12.5	37.9	46.6	3.3
Teachers/teacher unions	14.3	10.8	32.4	42.5	3.0
Parents/parent groups	13.9	26.8	41.6	18.7	2.6
Community representatives	37.7	30.5	24.7	7.2	2.0
Regional or intermediate unit	84.1	10.3	3.1	2.4	1.2
Other groups	97.1	0	0.5	2.4	1.1

* Excludes districts that responded "don't know" or did not respond to the survey item.

† Degree of influence, based on a 4-point scale: 1=not at all, 2=minimally, 3=moderately, 4=a great deal.

Source: Item 19, district survey.

As noted above, Chapter 2 law and regulations stipulate that parents be consulted in decisions about the use of funds and that they contribute to the design and implementation of the activities supported by Chapter 2. As we saw in our case study sites, district officials interpret these requirements differently, in some cases doing little more than a pro forma presentation before the school board, in other cases setting up parent advisory committees specifically for Chapter 2 or using advisory groups established for other purposes (e.g., school accountability committees, Chapter 1 parent advisory groups). Typically, consultation with parents or community representatives is not extensive, and parents do not exert a great deal of influence over Chapter 2 decision making.

A fair number of our case study LEAs had some sort of formal Chapter 2 Advisory Group. In one state, districts believed that a Chapter 2 planning committee was required by the SEA because the guidelines for preparing the Chapter 2 application identified the second step of the process as convening this committee and outlining whom the committee should consist of (the same groups suggested in the law and regulations). But the presence of a formal Chapter 2 advisory committee does not guarantee a particular level of involvement in program decisions. The degree to which these committees actually served as a decision making body in our sample varied from a pro forma meeting to approve district recommendations to active participation in the planning, design, implementation, and evaluation of the Chapter 2 program.

Our survey data, as shown in Table 5-2, indicate that both parents and community representatives have a minimal to moderate influence over the use of local Chapter 2 funds. The lack of strong parental influence over Chapter 2-related decisions was also found in the 1984-85 Chapter 2 study. School board members, parents, and other community members were infrequently ranked as exerting an important influence on Chapter 2 decisions.

The Decision to Coordinate Chapter 2 Funds with Other Funding Sources

We have mentioned previously that Chapter 2-supported activities are often a part of a larger program that receives the majority of its funding from some other source. According to our survey data and evidence from the case study sites, the most common source of this "other funding" is general district funds. Of the 82 percent of districts that responded that they explicitly coordinated their local Chapter 2 funds with other funding sources, 70 percent cited the regular district budget as the funding source with which Chapter 2 funds are coordinated (see Table 5-3). In practice, coordination of Chapter 2 funds with activities supported by general funds tends to be implicit rather than explicit coordination. In a sense,

it is coordination by default since general funds are the largest segment of local education budgets and hence provide support to almost every educational activity.

Explicit coordination, therefore, was more likely to occur with other program funds, such as Chapter 1 and Title II. But this type of coordination was relatively uncommon, as illustrated in Table 5-3, and tended to occur more frequently in larger districts (those with enrollments of 10,000 or more), where other sources of funds are likely to be more prevalent. Generally, the most frequently cited source of funding with which local Chapter 2 funds were coordinated after the regular district budget were state Chapter 2 funds (22 percent),¹ followed by other federal funds (13 percent), Chapter 1 funds (11 percent), and special state funds (9 percent).

Examples from our case study sites indicate that coordination across funding sources (where applicable) can occur at the district or school level, and can expand services to students already being served or extend services to students who have yet to be served. Coordination of funds can also expand training opportunities for school staff and local planning efforts. None of the LEAs that we visited were currently conducting or participating in activities supported by state Chapter 2 funds, although some had received state discretionary grants in the past.

The Science and Engineering Program in Leland, an effort to enhance secondary science instruction, was launched in 1988 with the help of Chapter 2. Chapter 2 funds equipped science labs, purchased computer equipment, and funded student field trips in connection with class internships. Today, Chapter 2's role has been reduced to that of continued support for lab equipment, while NSF funds are being used to fund the remaining activities.

Chapter 2 funds, in conjunction with Drug Free School funds, have been used to support a pilot program in Madison for at-risk elementary students. The purpose of the program is to engage students in activities that build trust, promote cooperation with others, and improve self-esteem.

¹ This percentage may be overestimated because respondents may have confused these funds with their regular formula funds that flow through from the state. Only 3% of LEAs indicated any additional discretionary funds in 1991-92.

Table 5-3

**COORDINATION OF CHAPTER 2 FUNDS WITH OTHER FUNDING SOURCES
(Percent of Districts*)**

District Size	State Chapter 2 Funds	Chapter 1 Funds	Other Federal Funds	Special State Funds	Foundation Grants	Business Partnership Grants	Regular District Budget	Other Funds
All districts	21.5	10.8	12.7	9.3	3.7	2.9	70.2	2.2
Very large (25,000 or more)	17.6	25.3	26.0	20.9	16.7	18.2	72.9	2.3
Large (10,000 to 24,999)	21.8	24.5	23.3	22.8	6.4	9.7	69.8	6.2
Medium (2,500 to 9,999)	23.4	15.6	19.2	17.5	2.7	3.9	72.7	3.3
Small (less than 2,500)	21.0	8.4	10.0	6.0	3.7	2.0	69.4	1.7

* Based on the 82% of districts that explicitly coordinated Chapter 2 funds with other funds. Excludes districts that responded "don't know" or did not respond to the survey item.

Source: Item 7, district survey.

A minigrant awarded to one of the schools in Bay View provides additional literacy instruction as part of the district's ESL program. Chapter 2 funds have been used to purchase supplementary Spanish literature sets and to prepare literature units to accompany these materials.

A combination of funds (Chapter 2, Chapter 1, state grants, and local funds) were used in Adams to support school improvement team activities. Funding was awarded through competitive grants and used by recipients in a variety of ways to enhance effective schools goals.

Lennox channeled several sources of funding into the purchase of instructional technology because of the difficulties of finding funding for these types of purchases in this small and poor community. Purchases from private industry, vocational education, Chapter 2, and Chapter 1 funding were carefully orchestrated to avoid duplications or omissions.

One interesting facet of coordination that was evident in our case study sites was the use of Chapter 2 funds to extend services within a district to schools that were not receiving Chapter 1 funds, but that also had students who were academically disadvantaged. These schools were usually not receiving Chapter 1 funds because there were not enough Chapter 1 funds available to support all the eligible schools in the district. Perhaps more than the coordination focus, this was a rationale for targeting Chapter 2 funds in some way.

Chapter 2 policy in Fremont dictates that these resources be directed toward at-risk students at the secondary level. In this district, Chapter 1 funds serve only the elementary schools, but over half of the student population is economically disadvantaged. Two-thirds of the district's Chapter 2 allocation is directed to programs for at-risk students.

The Chapter 2 coordinator in one of the very large urban districts felt that the LEA's minigrant program needed a focal point and recommended a plan to the Chapter 2 advisory committee to focus on low-achieving students in non-Chapter 1 schools. The Chapter 2 committee liked the idea of serving non-Chapter 1 schools since a large segment of the student population that could benefit from additional services were not receiving them (the cutoff point for Chapter 1 services is a 22 percent poverty level).

A large suburban district supported three at-risk programs with its Chapter 2 funds. One of these programs is the Resource Skills Program, which provides additional individualized instruction to at-risk students in schools that do not have a Chapter 1 program. Students receive supplementary instruction through a pull-out model similar to that used by the Chapter 1 program.

In other instances, Chapter 2 funds were being extended to non-Chapter 1 students in Chapter 1 schools.

To help low-achieving students to pass the district's norm-referenced tests, some of Adams' Chapter 2 funds have been used to provide support to non-Chapter 1 students. Similar materials had been used successfully with Chapter 1 students, and district staff wanted to extend the test preparation activities to students with similar learning difficulties.

Decisions About the Distribution of Funds

Local school districts have used the flexible nature of the Chapter 2 legislation to fund a wide variety of activities with their Chapter 2 funds. Over three-fourths of all districts (77 percent) fund more than one activity with their Chapter 2 funds, and as the size of the districts increases, so does the number of Chapter 2-supported activities. More than half of the larger districts (those with enrollments of 10,000 or more) support from 6 to 15 activities with their Chapter 2 funds. We also saw in Section 2 that the majority of LEAs (61 percent) have chosen not to target their local Chapter 2 funds to serve a particular student group.

Other survey data also indicate that local Chapter 2 funding is distributed fairly evenly across elementary, middle, and high schools, regardless of district size. As illustrated in Table 5-4, pre-kindergartners or separate kindergarten schools and "other" schools (e.g., adult schools, alternative education schools) were less likely to receive local Chapter 2 funds. Our data do not tell us how many Chapter 2 funds each type of school received, only that they received some Chapter 2 funds.

In general, it appears that the guiding principle behind decisions regarding the use of Chapter 2 funds at the local level is to provide "a little something for everyone." This goal can be accomplished by funding local reform efforts and district priorities, or by filtering funds directly to the schools (in the form of minigrants) to address school-level needs. Several factors contribute to the decision to disburse local Chapter 2 funds: the level of funding received, previous patterns of expenditures, district and reform activities that cut across all grade levels and types of students, and political motivations.

The absolute size of yearly Chapter 2 allocations appears to predispose districts toward certain types of expenditures. As illustrated in Table 1-2 (see Section 1), the

Table 5-4

NATIONAL INCIDENCE OF CHAPTER 2 SUPPORT AT THE
BUILDING LEVEL IN 1991-92

District Size	Percent of Schools					
	Prekindergarten/ Separate Kindergarten	Elementary	Intermediate/ Middle	High School	Other Schools	All Schools
All districts	58.1	86.2	86.3	84.9	72.3	86.6
Very large (25,000 or more)	57.5	80.2	81.8	81.5	64.4	79.5
Large (10,000 to 24,999)	61.5	84.4	81.9	82.0	62.7	82.7
Medium (2,500 to 9,999)	53.5	86.2	84.3	83.2	60.7	84.9
Small (less than 2,500)	61.2	86.5	88.0	85.9	81.8	87.4

Source: Item 4, district survey.

median level of funds allocated across all districts in 1991-92 was \$8,410, but this ranged from a high of \$359,771 in very large districts to a low of \$5,252 in small districts. All districts use some of their Chapter 2 funds to purchase instructional materials, but the larger districts are more likely to also fund programs for at-risk students and to support staff development activities (see Table 5-5).

This pattern of expenditures was also evident in 1984-85—larger districts had sufficient resources to diversify the types of activities that they funded with Chapter 2. Smaller districts devoted a larger share (or all) of their Chapter 2 resources to one or two activities they chose to support. Table 5-6 shows that 90 percent of the nation's largest districts spent Chapter 2 dollars in three or more areas and 79 percent of the smallest districts used Chapter 2 funds for only one or two types of purchases. In 1984-85, all districts used some of their Chapter 2 funds to purchase computer hardware and software, books, and audiovisual equipment, but many large districts also had the resources to fund staff development or pay some teachers' or aides' salaries as part of an instructional program (see Table 5-7).

Commitment to particular program activities has been a strong influence on spending decisions across all district size categories. This practice began early in the history of the block grant, when districts tried to preserve support for activities funded by the categorical programs that were subsumed under Chapter 2. In 1991-92, 53 percent of LEAs used Chapter 2 funds to continue existing Chapter 2 programs (see Table 2-8 in Section 2). Sometimes, Chapter 2 funds are the only way to preserve certain activities, particularly as state and local education budgets continue to decline. In other instances, continued funding of existing Chapter 2 activities is a way to "play it safe." Playing it safe can mean not wanting to make commitments to new programs and raising expectations in case a program is discontinued (this runs counter to the reasoning used by those districts that use Chapter 2 funds to pilot new programs). Playing it safe can also mean funding only purchases that can provide a clean audit trail, such as materials and equipment.

Many of the reform activities and district priorities discussed in Section 2 reflect changes at all grade levels and generally apply to all types of students. For example, Chapter 2 funds are being used to revise or develop curriculum frameworks to promote higher-order thinking skills and to support effective schools programs for all students. Therefore, it is not surprising that a large number of LEAs (56 percent) use their Chapter 2 allocations to fund districtwide programs (see Table 5-8). On the other hand, districts may also target particular schools with a portion of their Chapter 2 funding. Almost two-thirds

Table 5-5

**PERCENTAGE OF LEAS THAT ALLOCATE CHAPTER 2 FUNDS
TO EACH TARGET AREA**

<u>District Size</u>	<u>At-Risk/ High-Cost Student Programs</u>	<u>Instructional Materials</u>	<u>Innovative Programs</u>	<u>Prof. Devel.</u>	<u>Personal Excell./ Student Achievement</u>	<u>School Climate/ Educ. Prog.</u>	<u>Admin.</u>
All districts	16.3	78.4	15.5	26.6	12.7	19.3	12.3
Very large (25,000 or more)	64.5	80.3	41.7	60.5	37.0	52.2	67.1
Large (10,000 to 24,999)	45.2	73.8	29.9	54.8	28.5	39.2	45.9
Medium (2,500 to 9,999)	24.3	79.4	14.2	35.6	14.6	20.7	22.6
Small (less than 2,500)	11.7	78.3	14.6	22.0	11.0	17.3	6.7

Source: Item 3, district survey

Table 5-6

NUMBER OF AREAS IN WHICH DISTRICTS SPENT CHAPTER 2 FUNDS IN 1984-85

District Size	Percentage of Districts in Each Size Category Spending Chapter 2 Funds on Each Number of Activity Categories*		
	One	Two	Three or more
All districts	30	34	35
Very large (25,000 or more)	0	10	90
Large (10,000 to 24,999)	6	13	81
Medium (2,500 to 9,999)	15	32	54
Small (600 to 2,499)	27	37	37
Very small (under 600)	43	36	21

* Out of six major activity categories: computer applications, library/media center support, curriculum or new program development, student support services, instructional services, and staff development.

Source: Knapp & Blakely, 1986

Table 5-7

ACTIVITIES SUPPORTED BY BLOCK GRANT FUNDS IN 1984-85

District Size	Percentage of Districts in Each Size Category Putting Chapter 2 Funds Into:					
	Computer Applications	Library/Media Center Support	Staff Development	Curriculum Development	Student Support Services	Instructional Services
All districts	72	68	27	25	15	16
Very large (25,000 or more)	85	86	78	56	52	54
Large (10,000 to 24,999)	82	82	68	49	42	36
Medium (2,500 to 9,999)	78	71	40	33	22	25
Small (600 to 2,499)	80	64	27	25	17	12
Very small (under 600)	62	68	16	18	7	13

Source: Knapp & Blakely, 1986

Table 5-8

DISTRIBUTION OF LOCAL CHAPTER 2 FUNDS

District Size	Percent of Districts*				
	Funded Districtwide Programs	Schools Applied for Funds	Distributed to All Schools on Formula Basis	Targeted to Particular Schools	Distributed on Some Other Basis
All districts	56.2	7.5	22.6	42.3	7.3
Very large (25,000 or more)	76.3	30.5	33.8	64.1	11.9
Large (10,000 to 24,999)	67.3	21.1	35.8	52.8	7.7
Medium (2,500 to 9,999)	53.0	8.6	41.2	47.7	8.4
Small (less than 2,500)	56.1	6.1	16.4	39.8	6.9

* Excludes districts that responded "don't know" or did not respond to the survey item.

Source: Item 5, district survey.

of very large districts (64 percent) indicate that they target some of their Chapter 2 funds to particular schools. Motivations for targeting particular schools include unmet needs at some schools (e.g., the non-Chapter 1 schools discussed above), the use of pilot programs, and satisfying particular constituency groups (e.g., the parents of gifted and talented students). Districts were much less likely to decide to distribute Chapter 2 funds on a formula basis (23 percent), to have schools apply for funds (8 percent), or to devise some other basis on which to distribute funds (7 percent).

As mentioned in the discussion of administrative activities, some LEAs have initiated minigrant programs. Although we have no clear evidence of which types of LEAs decide to use a minigrant process as a way to distribute Chapter 2 funds to schools, the higher prevalence of very large and large districts that have schools apply for Chapter 2 funds is perhaps one clue as to where this may be occurring more frequently.

The minigrant concept is not new to Chapter 2 and was evident in the first national study. In 1984-85, a small number (3 percent) of districts nationwide were sponsoring Chapter 2-supported minigrant programs. We now turn to the case study sites to provide some idea as to the reasons an LEA might create a minigrant program and the process involved in creating this type of program.

A consistent focus of LEA minigrant programs appears to be to enhance innovation and experimentation, sometimes tied to particular goals (often reform related) and sometimes not. The minigrant process may be a long-standing tradition (over six years) or a recent practice, and the proportion of funds committed to minigrants can range from a small amount (\$5,000) to a significant proportion of the district's allocation (80 percent). Grants are frequently awarded on a competitive basis, but not always. In either case, schools must apply for these funds to the Chapter 2 coordinator or a selection committee. Several minigrant programs are described below.

Six years ago, a large suburban district decided to use a portion of its Chapter 2 funding (45 percent) to support three different types of minigrants. District staff characterize Chapter 2 funds as the only source of unencumbered funds available to schools for experimentation, and they believe that change takes place faster if it comes from the bottom up. The first type of grants are disbursed to all schools to provide discretionary money to support building-level activities tied to district-level Chapter 2 activities, such as staff development on restructuring. The second type are parent involvement grants given to elementary and middle schools to expand on the district's training efforts in this area. The purpose of the third type of

grants is to stimulate innovation at the school level. These grants are competitive, and recipients are selected by a team of individuals made up of teachers, administrators, and the general public. The competition also serves as a means of publicizing what the schools have accomplished and what Chapter 2 has done for the district by creating an awards ceremony for the winners of the competitive grants. Selecting and monitoring all of the minigrants takes a lot of work on the part of district staff, but they feel the effort is worth it since a small amount of funding has gone a long way to reward school staff for all their work.

The goal of the Chapter 2 minigrant program in Warner is to provide resources for professional staff to experiment with new materials, teaching strategies, or programs to increase student achievement and motivation or increase parent involvement in education. In 1991-92, 10 minigrants totaling 40 percent of the Chapter 2 budget supported a variety of different activities from instructional equipment to substitute time for staff training to contracted services. In addition to supporting innovation, the purpose of the minigrants is to serve as seed programs. The district requires that proposals "show evidence that the project will have a lasting effect beyond the funding year" (e.g., indicate how staff would further disseminate what they have learned or how they would use what was purchased in an ongoing manner).

A small, low-poverty district (Bedford) is supporting a competitive minigrant program with approximately 27 percent of its Chapter 2 allocation. The aim of the grants is to encourage teachers to develop specific projects designed to enhance the talents and abilities of their students, as well as their own. Teachers can use the grant funds to support almost any educational purpose that they can devise. Last year, 14 minigrants were awarded covering projects such as creative fiction writing with a visiting author, math enrichment, participation in a model United Nations program, development of an outdoor recreation program, and staff development for music educators. Each grant recipient is required to complete a short evaluation report describing the results achieved and any plans for continuing the project. Because projects are very salient to the needs of particular schools, many are funded by the schools once the Chapter 2 funds are no longer available.

LEA Technical Assistance

School districts resemble state departments of education in their dual monitoring and technical assistance functions. As discussed in Section 4, SEAs provide two types of technical assistance in conjunction with the Chapter 2 program. The first is guidance on Chapter 2 requirements in order to ensure regulatory compliance, which we have classified as procedural technical assistance. The second type is training and assistance provided as

part of activities receiving Chapter 2 support, which we are calling programmatic technical assistance. This second form of technical assistance does not include systematic guidance on program evaluation, which is discussed in more detail in the subsection on accountability and evaluation. Both SEAs and LEAs are likely to define their technical assistance roles as encompassing both traditional monitoring (procedural) and program-related support (programmatic).

This dual sense of technical assistance implies that the local definition of these terms is comparable to the SEA definition, but this is not the case. Data from the case studies suggest that LEA personnel are more likely to aim for programmatic technical assistance than they are to closely monitor compliance, at least with respect to Chapter 2. As part of state and local reform efforts there has been a gradual change in the nature of LEA accountability roles. When schools are entrusted with developing the means to achieve desired outcomes, the policing of processes and procedures becomes less important. The new view receives overwhelming support in our case study LEAs, in the form of either lip service or actual practice.

Procedural Technical Assistance

As noted above, LEAs are likely to report performing technical assistance roles in schools and serving as technical assistance resources, as opposed to being compliance monitors exclusively. The strongest compliance roles seem to have been played by two supervisory unions that were sampled as LEAs for the case studies. Because they perform administrative duties for multiple school districts, supervisory unions have limited involvement in instructional matters, focusing instead on ensuring compliance with state and federal laws.

The way LEAs define and deliver technical assistance is related to their broader roles vis-à-vis schools and classrooms. It is important to note that most of these roles describe general philosophies and perceptions of LEAs. Specific activities subsumed by Chapter 2 may or may not conform to the broad roles and definitions reported by LEA case study respondents. Moreover, even in the cases where collaborative, facilitative relationships hold between LEAs and schools, compliance monitoring has not been eliminated. Our study data reveal what appears to be a national trend away from monitoring for its own sake. Instead, the traditional compliance orientation of many LEAs has been supplemented by changing relationships between schools and LEAs with respect to capacity building, accountability, and professional development.

Programmatic Technical Assistance Activities Supported by Chapter 2

Training and assistance provided as part of activities receiving Chapter 2 support manifest themselves in various forms: collaborative efforts between the LEA and school staff, the trainer-of-trainers model, site-based grants, districtwide training, and use of consultants. Several examples from our case study sites illustrate the range of approaches LEAs are taking with regard to programmatic technical assistance.

Many districts in our case study sample worked to foster a collaborative and facilitative relationship with schools. A good example is that of a large district in a high-poverty state. School-level respondents corroborated LEA reports of attempts to work cooperatively with school staff on program design and evaluation for a Chapter 2-funded program for at-risk high school students. We observed an interesting exchange between a high school counselor and the district Chapter 2 coordinator. The counselor described lessons he had learned from an evaluation of the preceding year's activities. The director suggested an evaluation design for gathering comparative data on participants and nonparticipants in one component of the at-risk program. Reflecting on this conversation later, the director referred to his interest in evaluation and said: "I help them with the format for reporting, but they gather data and write the report."

Districts in two states expressed related ideas about collaboration and cooperation, but seemed to be moving to the next step in this relationship: school-level capacity building. In a large district with a small central office, LEA personnel sought professional development opportunities that would produce multiple experts in different subjects at the school level. The district's restructuring plan, combined with its lean administrative structure, made the "trainer-of-trainers" model of staff development (teachers equipped to serve as resources for other teachers in the district) a useful and necessary way to exploit technical assistance resources. In this same district, \$25,500 is set aside for each school to receive a \$1,500 minigrant that is tied to the school's accountability plan. The purpose of these grants is to provide schools with resources to implement individual school-based goals and to encourage creativity with regard to their reform efforts.

One district (Warner) has made the exercise of applying for minigrants into a professional development opportunity or growth experience for teachers. School staff must write the proposal, design and implement a given project, and conduct an evaluation of it. The grant-writing process has empowered teachers, as well as given children interesting and innovative experiences.

Two very large urban districts in a reform-minded state are also working to devote increasing amounts of training resources to enhance the expertise of school personnel. One of these districts learned a hard lesson from an earlier round of reform. According to the associate superintendent, past attempts to revamp the district curriculum failed because the need for training assistance to teachers was not acknowledged. Now there is recognition across the district of the need to provide meaningful staff development opportunities that are aligned with the rest of an ambitious reform agenda. The LEA wants to facilitate a higher level of autonomy and responsibility at the school level without "abandoning schools to go it alone." As a result, the district is sponsoring site-based management training for all schools.

A small district reported providing technical assistance in the area of gifted instruction by hiring a consultant to meet with teachers and parents to introduce a variety of conceptual approaches and models for blending gifted and regular instruction.

The flexibility of Chapter 2 funds to address local change efforts, professional development, and other district priorities through several of the target areas encourages the frequent use of these funds to support the technical assistance needs of LEAs. The ambiguities of the target areas have already been discussed in Section 3. However, the target areas are necessary for understanding at least part of the technical assistance story. Programs of training and professional development is the major target area for reporting technical assistance activities funded by Chapter 2. In fact, case study data show that staff training expenses incurred under other target areas are often accounted for here. Therefore, at the local level, the terms "technical assistance," "staff development," and "professional development" will be used interchangeably.

Chapter 2 dollars are unlikely to underwrite the entire professional development budget of an LEA or a school, but they are quite likely to supplement other funds in some aspects of an LEA's professional development agenda, as illustrated by our survey data summarized in Table 5-9. Very few districts use Chapter 2 funds to support a particular staff development activity entirely.

Table 5-9

**LEVEL OF LOCAL CHAPTER 2 FUNDING FOR
LOCAL PROFESSIONAL DEVELOPMENT**

Type of Professional Development	Percent of Districts		
	No Chapter 2 Funding	Partial Chapter 2 Funding	100% Chapter 2 Funding
Library/media services	60.1	37.5	2.4
Use of technology in instruction	61.5	36.5	2.0
English/language arts	75.2	24.2	0.6
Mathematics	79.4	20.2	0.5
Science	81.8	18.2	<0.1
Instructional strategies not linked to a curriculum area (e.g., cooperative learning)	83.0	15.4	1.6
Social science/history	85.4	14.1	0.5
Instructional leadership	88.7	10.5	0.8
School-level planning and problem solving	89.1	10.1	0.8
Visual and performing arts	89.5	10.0	0.4
School climate/culture	89.5	9.9	0.6
Classroom management	90.7	8.8	0.4
Teacher centers/labs	93.2	5.5	1.3
Other professional development	93.8	5.3	0.9

Note: Rows ordered by level of partial Chapter 2 funding (high to low).

Source: Item 13, district survey.

Table 5-10

**EXTENT TO WHICH LOCAL STAFF WERE INCLUDED IN
CHAPTER 2-SUPPORTED TRAINING**

Staff	Percent of Districts*			
	Not at All	Some	Quite a Bit	A Great Deal
Superintendent (and/or area superintendents)	44.5	31.8	11.6	12.2
Other district-level staff or administrators	28.6	34.7	19.0	17.7
School-level administrators	17.7	34.9	24.8	22.5
Certified classroom teachers	3.0	17.8	23.5	55.7
Specialist teachers	13.4	27.3	24.5	34.8
Paraprofessionals/classroom aides	46.8	30.6	13.8	8.9
Other service providers (e.g., psychologists, guidance counselors)	41.2	31.8	14.3	12.6
Teachers with provisional credentials	67.6	16.9	5.8	9.8
Other staff	96.7	1.6	1.6	0.1

* Based on the 37% of districts that supported staff development activities with Chapter 2 funds. Excludes districts that responded "don't know" or did not respond to the survey item.

Source: Item 14, district survey.

It is also apparent from the survey data that school-level personnel are the most likely recipients of staff development activities supported by Chapter 2 funds. Table 5-10 shows that "certified classroom teachers" is the staff category included in training opportunities to a much greater extent than all other groups. Specialist teachers and school-level administrators are the next most likely recipients. Table 5-11 shows that these conditions hold across all size categories of district, with classroom teachers receiving a mean rating of 3.2 to 3.4 (out of 4) on the extent to which they were included in Chapter 2-supported training.

Our case study data indicate that Chapter 2-supported professional development encompasses a wide variety of topics. For example, all three case study districts in one state devoted substantial portions of their Chapter 2 grants to professional development. The largest of these LEAs supported district-level professional development activities (e.g., hands-on math and science instruction, literacy strategies, curriculum integration), as well as allocating minigrants, which were frequently used to support teacher training in several curriculum and instruction areas (writing, teacher effectiveness, peer collaboration, and critical thinking). A second district used Chapter 2 to partially fund an assessment academy. Linked to district implementation of mastery learning, the assessment academy provides technical assistance to teachers and administrators in the development, administration, and interpretation of performance-based assessment. The third district earmarked more than 80 percent of Chapter 2 funds in 1991-92 for professional development because staff training is a key element of this district's reform agenda. Numerous topics were addressed: higher-order thinking, learning styles, alternative assessment, and teaming for training and teaching, among others. Chapter 2 plays a critical part in the reform process because it supports 25 percent of all district training activities.

Because of the effective schools set-aside requirement, SEAs tend to report more technical assistance associated with these programs than do LEAs, although LEAs and schools are usually the recipients of these initiatives. There are two good examples of technical assistance activities receiving local Chapter 2 support under innovative programs (schoolwide improvement and effective schools).

One is a small district in an eastern state. Pursuing a statewide initiative in professional development, the district established a board for approving professional development plans for individual teachers. Chapter 2 helped fund local participation in state workshops for these board members, along with staff development consultants for some of the many professional

Table S-11

EXTENT TO WHICH LOCAL STAFF WERE INCLUDED IN CHAPTER 2-SUPPORTED TRAINING

District Size	Mean Rating*									
	Super-intendent	Other District Administrators	School Admin.	Classroom Teachers	Specialist Teachers	Classroom Aides	Service Providers	Provisional Teachers	Other Staff	
All districts	1.9	2.3	2.5	3.3	2.8	1.8	2.0	1.6	1.1	
Very large (25,000 or more)	1.6	2.4	2.7	3.2	2.7	2.2	2.1	1.7	1.1	
Large (10,000 to 24,999)	1.7	2.3	2.5	3.4	2.8	2.0	1.9	1.7	1.1	
Medium (2,500 to 9,999)	1.8	2.4	2.5	3.2	2.7	1.8	1.9	1.6	1.0	
Small (less than 2,500)	2.0	2.2	2.5	3.4	2.8	1.9	2.0	1.5	1.1	

* Based on a 4-point scale: 1=not at all, 2=some, 3=quite a bit, 4=a great deal. (The midpoint is 2.5.)

Source: Item 14, district survey.

development activities that were undertaken throughout the year. Chapter 2 is also helping fund teacher involvement in districtwide integrated-curricula projects.

Another example is a medium-sized district in a different state. School-level improvement teams received small Chapter 2 grants "to enhance their movement toward becoming more effective instructional facilities." Eight grants were awarded. School improvement teams used these funds in various ways, but a common theme across all schools was staff development. One school used its grant to enable teachers to pursue their own training interests. Two-thirds of the staff have availed themselves of the grant to attend different workshops on authentic assessment, conflict resolution, and thematic instruction. Other schools used their grants to provide similar opportunities for teachers.

As mentioned above, professional development activities can be found in lesser amounts in most of the other target areas as well. For example, a medium-sized district illustrates an interesting use of professional development within the at-risk/high-cost target area. As part of a district plan to increase the achievement of low-performing students, visits to model programs and training sessions on promising instructional strategies were conducted. Chapter 2 funds covered release time for teachers and other training expenses.

In a very large, high-poverty district, Chapter 2 funds were used to purchase calculators for use in junior high school math classes. Chapter 2 and Title II funds helped pay for staff development on strategies for using calculators in instructional settings. Chapter 2 funds were split between the materials acquisition and professional development target areas for the calculator project.

The target areas for personal excellence and school climate have fewer professional development connections than other target areas. One large district conducted an anti-prejudice workshop, "A World of Difference," for elementary teachers. This district also used Chapter 2 funds to put on a districtwide in-service day on integrating technology with classroom instruction. Another LEA used Chapter 2 funds to support staff development and other components of a gifted and talented program at the elementary level.

It is important to reemphasize a recurring fact about the use of Chapter 2 in connection with professional development. These funds are virtually always part of broader staff development and technical assistance efforts at the local level. For this reason, it is generally not possible to specify exactly what role Chapter 2 plays by itself. Chapter 2 resources are usually an important supplement to new and existing efforts, but sometimes

these funds are found at the margins of these initiatives. A few LEAs, for example, reported that Chapter 2 covered printing costs for workshop materials while other funds covered consultant fees and release time. This marginality is not a negative feature of the way funds are used. On the contrary, the flexibility of Chapter 2 may explain these kinds of allocations at the local level because other sources of funds have more restrictions placed on them. In addition, conflicting local demands on comparatively modest Chapter 2 budgets make it difficult to use these funds to launch or fully pay for ambitious staff development agendas.

Estimating the National Expenditures for Chapter 2-Supported Technical Assistance

It is clear from our discussion so far that technical assistance occurs in several contexts and is legitimately reported in several ways by LEAs. This poses an analytical problem, however, because it is not possible to segregate precise technical assistance allocations from other elements of the target areas or program administration. Nevertheless, there is enough information from our survey data to offer several estimates on the total Chapter 2 allocation for technical assistance.

As we discussed above, the innovative programs and professional development target areas have significant overlap with technical assistance as defined in this report. Even though it is probable that not all LEA allocations to these areas result in the delivery of technical assistance to schools, we will assume that they do. The sum of Target Areas 3 and 4 yields a provisional estimate of the national Chapter 2 technical assistance allocation. As shown in Table 5-12, this amounts to \$78,334,032. This figure is 21 percent of the \$372,895,628 Chapter 2 public school funds received by all LEAs in 1991-92. This estimate is conservative because it does not account for technical assistance delivered in conjunction with local administrative responsibilities, nor does it include professional development opportunities reported under other target areas.

Accountability Mechanisms and Evaluation Activities

The discussion of administrative activities alluded to the fact that district accountability mechanisms are influenced largely by SEA accountability requirements.

Table 5-12

LEA CHAPTER 2 PUBLIC SCHOOL ALLOCATIONS TO TARGET AREAS IN 1991-92

Target Area	All Districts		
	Mean Allocation	Total Allocation	Percent of Total Allocation
1. Programs to serve students at risk or whose education entails higher-than-average cost	\$4,369	\$57,245,623	15.7
2. Programs to acquire and use:			
Library materials	4,240	55,561,912	15.3
Computer software/hardware	4,795	62,822,796	17.2
Other instructional/educational materials	2,204	28,875,091	7.9
3. Innovative programs:			
Schoolwide improvement	1,524	19,973,716	5.5
Effective schools programs	944	12,364,692	3.4
4. Programs of training and professional development	3,510	45,995,624	12.6
5. Programs to enhance personal excellence and student achievement:			
Ethics	43	561,666	0.2
Performing and creative arts	524	6,871,184	1.9
Humanities	175	2,286,818	0.6
Physical fitness	38	499,366	0.1
Comprehensive health education	74	965,467	0.3
Community service	32	416,091	0.1
Other	482	6,294,313	1.7
6. Programs to enhance school climate and educational programs:			
Gifted and talented programs	1,372	17,979,643	4.9
Technology education	830	10,881,475	3.0
Early childhood education	469	6,145,202	1.7
Community education	201	2,630,499	0.7
Youth suicide prevention	2	23,873	<0.1
Other	1,036	13,568,296	3.7
7. Administration of the Chapter 2 program	934	12,236,155	3.4
Total 1991-92 Chapter 2 allocation* (Public school share)	\$27,887	\$372,895,628	100

* Totals include amounts for a small number of districts that were unable to provide breakdowns by target area.

Source: Item 3, district survey.

Although survey data indicate that only half of the districts feel that the SEA has any influence on how they use their Chapter 2 funds, when the SEA does exert some influence, it tends to be in the area of accountability. As we saw in Table 4-9 (see Section 4), relatively high percentages of districts reported that the state influenced the mechanics of applying for funding, district record keeping, and district monitoring (56 percent or more of districts in each size category). In the case study districts, we found that the statistical data and evaluation requirements the LEA places on itself or its schools and programs are generally the same requirements that the SEA places on the LEA. The focus of these accountability mechanisms is on assessing program compliance with federal and state regulations and on fiscal accountability; evaluation requirements are kept to a minimum.

Minimal evaluation requirements translate into a wide variety of evaluation activities at the local level or no evaluation activities at all. Survey data indicate that nearly one-fourth of the districts reported not having conducted any kind of Chapter 2 program evaluation. Of those LEAs that conducted evaluations, fewer than 13 percent conducted formal evaluations (see Table 2-14, Section 2). A much larger number of districts took a less formal approach to program evaluation, such as gathering feedback from participants or preparing self-evaluation data. At least 70 percent of districts, regardless of size, reported collecting informal feedback or anecdotal evidence on program outcomes (e.g., an at-risk program is rated on the basis of teacher reports of students' self-esteem levels). More than 31 percent of districts summarized self-evaluations conducted by schools or grant recipients, although larger districts were much more likely to take this approach. Finally, a fair number of districts took a purely descriptive approach to evaluating their Chapter 2 activities. Nearly 50 percent of districts reported compiling participation counts and purchases, and 7 percent wrote descriptions of exemplary programs. It should be noted that districts may have taken one or more of these approaches in evaluating their Chapter 2-supported activities, but a greater number of larger districts appear to take a multi-faceted approach to evaluation.

In conducting evaluations of their Chapter 2 program, districts sometimes evaluated all of the activities supported by Chapter 2. In other cases, they evaluated selected activities. According to the survey data, of those districts that do conduct evaluations, nearly three-quarters evaluate all uses of their Chapter 2 funds (see Table 5-13). When selected activities are evaluated, instructional materials (53 percent) and professional development (31 percent) areas are chosen most often.

Table 5-13

**FOCUS OF LOCAL CHAPTER 2 EVALUATION
(Percent of Districts)**

District Size	Target Areas							
	All Uses of Chapter 2 Funds*	Instructional Materials†	Professional Development†	Programs Enhancing Student Excellence/Achievement and School Climate†	At-Risk/High-Cost Student Programs†	Innovative Programs†	State Discretionary Grant Programs*	Other Area*
All districts	74.0	52.8	31.4	24.8	21.1	15.2	1.9	1.6
Very large (25,000 or more)	81.0	50.0	40.2	30.0	53.7	33.1	4.5	1.8
Large (10,000 to 24,999)	78.1	40.6	44.6	21.6	33.6	25.8	3.9	1.8
Medium (2,500 to 9,999)	75.9	49.8	26.2	17.0	36.4	13.5	2.9	0.8
Small (less than 2,500)	73.0	54.3	32.1	27.1	15.5	14.9	1.4	1.9

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* Based on the 77% of districts that evaluated Chapter 2-supported activities.

† Based on the districts that evaluated Chapter 2-supported activities and evaluated specific targeted assistance areas (i.e., did not evaluate all uses of Chapter 2 funds).

Source: Item 23, district survey

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In our case study sample, LEAs tend to evaluate the activities their SEA requires them to evaluate. For example, in Colorado, Maryland, and Vermont, the SEA requires the submission of an end-of-the-year evaluation report on each funded program. Consequently, in these districts, all uses are evaluated. On the other hand, Indiana and Texas do not require LEAs to submit evaluations; therefore, evaluation practices vary within and across districts. In Packwood, the elementary program coordinator requires an evaluation of some of the elementary Chapter 2-funded projects regardless of target area, while the secondary program coordinator makes no evaluation requirements of the secondary programs. In Warner, evaluation reports are required only of minigrant projects. In Canfield, each Chapter 2-funded project is required to submit an evaluation, but in Leland the district stance is, "the state doesn't require formal evaluation, so we don't do it."

An example of the evaluation requirements placed on LEAs in the case study sample illustrates the content of local evaluation reports. The annual Chapter 2 evaluation form required by the SEA in Maryland instructs LEAs to provide the following information on each funded activity: (1) a description of the program, including purpose and objectives; (2) how the objectives were measured; (3) a summary of the results, including what was particularly effective and what can be done to improve the program; and (4) how the program supports the district's school improvement program. Despite a common set of standards, the degree to which LEAs within the state have addressed these evaluation requirements varies, as illustrated below.

In a medium-sized district that has used the majority of its Chapter 2 funds to purchase instructional equipment, evaluation results are essentially descriptive. The purpose of the program is to expand further the availability of instructional technology in the classroom. Effectiveness is measured against the attainment of the district's 5-year plan to have a computer in every classroom, and results are addressed through a description of which types of computers are located in each school and the statement that the computers have expanded and enhanced education for all students in the district.

In another LEA, where Chapter 2 funds have supported part of the district's gifted and talented program (grades 1-5), evaluation results are a little more detailed but are not based on a systematic evaluation of the program. The purpose of the program is to provide differentiated learning activities in language arts and mathematics, as well as the application of higher-order thinking skills and creative problem-solving strategies. The program is considered effective because it "ensures that very capable students are able to move at the pace and to the depth of complexity which are appropriate for

their unique abilities and talents.” Results are based on the measurement of the functional levels of the students when they begin each year and at the end of the year. Informal teacher observations were conducted to ensure that, on exposure to differentiated curricula (including higher-order thinking skills), “students gave evidence of regular application of these skills and strategies.” The district has only informal evidence of students’ continued progress once they leave the program.

Summary

The reduction in the level of administrative burden under the block grant was to be achieved by consolidating the number of programs that LEAs had to administer in order to receive funding, placing fewer restrictions on funds, and requiring fewer reporting mechanisms. According to our current research, the goal of reduced administrative burden has been achieved, and only a small amount of Chapter 2 funding is allocated to program administration. Administrative burden, when it occurs, is usually self-imposed in connection with a large-scale minigrant program.

Chapter 2 decision-making practices appear very idiosyncratic at the local level in terms of the process involved and its duration, the principal decision makers, and the amount of parental input. Decision-making practices cannot be explained by the size of the district, who is in charge of the program, what types of activities are supported by Chapter 2, or the community context. In general, it appears that the guiding principle behind decisions regarding the use of Chapter 2 funds at the local level is to provide “a little something for everyone.”

With respect to Chapter 2 implementation, LEA personnel are more likely to support programmatic technical assistance than they are to monitor compliance closely. Chapter 2-supported technical assistance at the local level generally translates into support for professional development activities and innovative programs, which together constitute about 21 percent of the public school share of Chapter 2 funds received by all LEAs in 1991-92.

Finally, local accountability mechanisms are influenced largely by SEA accountability requirements that focus on assessing compliance with federal and state regulations and on fiscal accountability. Evaluation of Chapter 2-supported activities at the local level is minimal.

6 PARTICIPATION OF PRIVATE SCHOOL STUDENTS

The provision of educational services to private school students with federal money began under the Elementary and Secondary Education Act (ESEA) in 1965. Since that time, the inclusion of private school students has received considerable attention because of a changing climate of opinion and policy direction regarding federal aid for private school students. On the one hand, there are advocates urging increased parental choice and access to private education; on the other, there have been various legal decisions (most notably *Aguilar v. Felton*) reaffirming the limitation on publicly funded services for those who are educated in private religious schools.

In this section, we will discuss how changes in Chapter 2 requirements brought about by the 1988 reauthorization of the law have influenced the administration of services to private school students, the willingness of private schools to have their children participate in Chapter 2-supported activities, and the types of services provided to private school students.

Participation of Private School Children and Reauthorization

The Chapter 2 statute and regulations contain many provisions for the involvement of private school students (Subpart D, Sections 298.31-298.38). In Chapter 2, LEAs must ensure the equitable participation of private school students as compared with students enrolled in public schools; private school officials must be consulted; services (that are secular, neutral, and nonideological) meeting the needs of the private school students must be provided; and per-pupil expenditures for public and private school students must be equal, taking into account the number and needs of the students. The reauthorization of Chapter 2 under the 1988 Hawkins-Stafford Amendments did not change any of the provisions for serving private school children.

Although private school provisions were not affected by the Hawkins-Stafford Amendments, other changes instituted by the law had the potential of influencing the number of private schools electing to have their students participate in Chapter 2 and the types of services provided to private school students. Our analysis focused on the three major areas of change created by the 1988 amendments: (1) the specification of six allowable uses for Chapter 2 funds (target areas), (2) the requirement that states set aside

20 percent of their Chapter 2 funds for effective schools programs, and (3) the requirement that SEAs evaluate the effectiveness of state and local Chapter 2 programs in 1992. The impacts of the self-evaluation requirement and the set-aside for effective school programs are discussed in the subsection on the state administrative role with regard to the participation of private school children in Chapter 2. The influence of the seven target areas is discussed primarily with regard to local-level Chapter 2 activities.

The State Role in Serving Private School Students

Under the Chapter 2 statute (Section 1572), the primary responsibility for serving private school students falls to the LEAs. The role of the SEA is to ensure that each LEA in the state complies with the private school requirements and, in the case where no Chapter 2 program is offered by an LEA, to make arrangements under which children in private schools in the LEA are provided with services and materials to the extent that would have occurred if the LEA had received Chapter 2 funds. The SEA is required to provide direct service only if it offers statewide instructional programs or staff development through Chapter 2. If these statewide programs exist, the SEA must offer private school children and staff the opportunity to participate.

The first national study of Chapter 2 implementation during the 1984-85 school year (Cooperstein, 1986) did not include an analysis of the involvement of private school children and staff at the state level since the majority of participation by private school children and staff occurred at the local level. Although the SEA is not the primary agent for the delivery of Chapter 2 services to private school students, this first study found that various aspects of the state context can encourage harmonious relationships between districts and the private schools. For example, in states with a history of state programs serving private school students, good relationships often have been established between personnel at the districts and private school personnel. Hence, where there is long-standing participation in state and federal programs, equitable participation of private school students is more likely. Also, in states that specified the details of notification, expenditures, and services, arrangements for serving private school students tended to be more consistently equitable. Finally, state-level private school organizations had influence on the states' Chapter 2 allocation formulas, as well as the uses of the states' set-aside share of Chapter 2.

Participation and Expenditures

Our current analysis also focused primarily at the local level, but state Chapter 2 coordinators were surveyed about private school students or staff who participated in Chapter 2 programs supported by state set-aside funds. This information was supplemented by interviews with state Chapter 2 coordinators and private school representatives from our case study sites. We, too, found that the state context can set the tone for the involvement of private school students and staff in the Chapter 2 program. SEAs can still play an influential role in increasing involvement by taking on more responsibility:

The Indiana SEA has decided to take on a more active role in involving private school students in Chapter 2 by taking over the notification process. The SEA's involvement ensures a more consistent effort across districts in encouraging the participation of private school students. It also takes some of the burden off the LEAs in terms of informing private school staff about the Chapter 2 program, particularly in areas where there are high turnover rates in administrators of private schools.

In Colorado, the SEA and LEAs have done a good job of keeping private school officials informed regarding the Chapter 2 program. The SEA also maintains data on private schools, which facilitates the notification process. As a result, about 70 percent of the private schools in the state have students participating in Chapter 2.

State laws can also affect participation levels, for example:

It is possible that the structure for independent schools in Vermont restricts some participation. State law provides two status choices for independent schools: approved and recognized. Approved schools must apply to the State Board of Education and must follow certain rules or policies set forth by the state (e.g., provide a minimum course of study). Recognized schools only need to provide certain types of information (e.g., enrollment and other statistical data) to the Commissioner of Education. Schools that are recognized are not eligible to receive any federal services. Consequently, their participation is out of the control of the SEA or LEAs. In this state, only 29 percent of the independent schools are approved and therefore eligible to participate in Chapter 2-supported activities.

From our national survey of state Chapter 2 coordinators, we found that the average allocation to serve private school students from state set-aside funds was \$48,447, as shown in Table 6-1, but this figure masks a wide variation across states. In general, a large number of SEAs allocate very few funds for private school students, while a few states make up the bulk of the total allocation within each target area. Individual state

allocations ranged from a high of \$257,046 to a low of \$0, and the median allocation for services to private school students was \$9,500 (i.e., with an equal number of states having higher and lower allocations to serve this group of students). Overall, 3 percent of SEA Chapter 2 funds in 1991-92 were allocated to services for private school students and staff. This figure is comparable to annual report data for 1991-92, where less than 4 percent of state set-aside funds were allocated for this purpose.

Although our survey of state Chapter 2 coordinators did not explore how SEAs allocate set-aside funds across the target areas for services to private school students, state annual report data for 1991-92 provide us with some clues (Padilla and Williamson, 1993). The greatest levels of SEA funds across all states were allocated to professional staff development (34 percent)¹ and innovative programs (19 percent). This contrasts with the distribution of funds to private school students at the local level, where districts provide most of their support through instructional materials programs (76 percent). Only 40 percent of the public share of local Chapter 2 funds were allocated to purchase instructional materials.

There is some evidence from our case study sites that outside circumstances, such as greater participation in state mandates and the availability of other services, have moved LEAs to serve private school students in the direction of more innovative uses of Chapter 2 funds.

In Colorado, for example, thinking creatively about how to use Chapter 2 funds is actively supported by the SEA. Although the SEA does not impose specific restrictions on the acquisition of materials and equipment, LEAs must now show how the materials or equipment purchases for the benefit of private school students will fit into a broader targeted assistance area (a change in the Chapter 2 regulations²).

In Indiana, the SEA has imposed similar restrictions on equipment purchases, which some LEAs have strongly enforced with respect to services for private school children.

¹ Out of a total \$2,493,798 allocation for private school students for the 1991-92 school year, according to annual report data. In our data set for the same period, the total amount of state set-aside funds to serve private school students was estimated at \$2,325,456.

² Regulations based on the Hawkins-Stafford Amendments regarding the targeted assistance areas state that "Except to purchase computer hardware for instructional purposes [under Target Area 2], chapter 2 funds may not be used to purchase instructional equipment unless that instructional equipment is used as part of a program [under the target areas]" [Section 298.12 (b)].

Table 6-1

**NUMBER OF PRIVATE SCHOOLS WITH STUDENTS PARTICIPATING IN STATE
CHAPTER 2 PROGRAMS AND STATE CHAPTER 2 ALLOCATIONS TO SERVE
PRIVATE SCHOOL STUDENTS**

Mean Number of Private Schools per SEA with Students Participating in State Chapter 2 Activities (n = 42)	Percent of All Private Schools (n = 41)	Mean Allocation for Services to Private School Students (n = 48)	Median Allocation for Services to Private School Students (n = 48)
221	33.7	\$48,447	\$9,500

Source: Items 17-19, state survey.

More of the private schools (particularly the Catholic schools) in Indiana are participating in state mandates, such as applying for performance-based accreditation and writing school improvement plans. As a result, more private school staff are availing themselves of SEA-supported workshops and materials dissemination because these are more relevant to their needs.

According to the state advisory committee private school representative in Colorado, the reason that Chapter 2 funds continue to support the purchase of materials and supplies is that other target areas have less relevance to their situation (e.g., fewer at-risk students) or because private school staff can participate in programs that are supported by the SEA or LEA, such as staff development.

Many of the private schools in Maryland have volunteered to participate in the state's reform agenda, which holds schools, rather than students, accountable for meeting performance standards. Two of the performance measures developed by the SEA include the School Performance Report (a report card based on a set of standards for student performance) and the Maryland School Performance Assessment Program (criterion-referenced tests). SEA staff believe that participation in the state's assessment program will encourage private school staff to participate in Chapter 2-funded activities other than just acquisition of instructional materials.

Survey data (see Table 6-1) also indicate that in 1991-92 the average number of private schools in a state with students participating in SEA Chapter 2 activities was 221, but there was again wide variation in the numbers of schools participating in any one state, from a high of 2,800 to a low of 0. The 221 average represents a 34 percent participation rate among the eligible schools in a state.

State Administration of Services

The role of the SEA in guiding district administration of services to private school students varied greatly in 1984-85, from states that provided detailed guidance to those that maintained a hands-off position. In 1991-92, only 35 percent of state Chapter 2 coordinators reported seeking technical assistance regarding services for private school students from the federal Chapter 2 program office. The infrequency of requests for advice regarding the involvement of private school students probably reflects the long-standing relationships (at least 10 years under the block grant) established between the public and private schools, where participation issues have long since been worked out. On the other hand, approximately 10 percent of SEA Chapter 2 funds were allocated to the administration of services for children in private schools in 1991-92 (Padilla and Williamson, 1993). An example of a more actively involved SEA is described below.

In this state, there is no "ready-made link" between private schools and their local agencies. Hence, state Chapter 2 staff prepare a list of nonpublic schools and conduct research on what kinds of private schools they are required to serve. These lists are then sent to the individual LEAs, who must contact the private schools in their area. A lot of Chapter 2 time and funding at both the state and local levels goes to encouraging participation of children in private schools, resulting in participation of children in about 60 percent of eligible private schools. In the opinion of one state staff: "For the time and work involved [in soliciting private school participation], it is probably not cost-effective to include private school children in Chapter 2."

As mentioned above, one of the notable administrative changes included in the Hawkins-Stafford Amendments was the inclusion of the requirement that SEAs evaluate the effectiveness of state and local Chapter 2 programs. In 1984-85, little evidence was found that districts were formally evaluating Chapter 2 services for private school children, except when it was required as part of a state evaluation. In this case, the evaluation often consisted of a short form completed by each private school principal. In our analysis of state self-evaluation data prepared to meet the new Chapter 2 evaluation requirement, there was little evidence of increased analysis of Chapter 2 programs and services for private school students (Hawkins, Ruskus, and Wechsler, 1993). Despite a lack of inclusion in state evaluation efforts, survey data indicate that 50 percent of the SEAs used self-evaluation data to provide feedback to private school representatives in 1991-92.

Local Private School Involvement

In the majority of districts with eligible private schools,³ Chapter 2 services for private school children are provided at the local level, rather than at the level of intermediate units or through a bypass contract between the U.S. Department of Education and a third-party service provider. Our study, therefore, focused on only those districts administering the private school student component of Chapter 2 at the local level. This was also the focus of the first national study of Chapter 2 in 1984-85. Below, we compare data from the 1984-85 and 1991-92 school years regarding participation rates, expenditures, services, and the administrative tasks required of school districts to serve private school students through

³ Private schools must be nonprofit and comply with civil rights laws to be eligible for their students to receive services under Chapter 2.

Chapter 2. We also describe the role that reauthorization and private school organizations play in this process.

In general, we found that changes in participation rates and allocations under the Hawkins-Stafford Amendments were minimal compared with changes that occurred when the block grant (the Education Consolidation and Improvement Act—ECIA) was initiated, for two reasons: (1) the perceptions of flexibility in the law did not change as they had earlier when ECIA was passed, and (2) private schools with children who had participated in the past saw no reason not to continue to participate.

Participation Rates

In 1984-85, approximately 42 percent of the nation's school districts had private schools eligible to have their students participate in Chapter 2 (see Table 6-2). This percentage varied greatly by district size—from 100 percent in very large districts to 16 percent in very small districts. In 1991-92, the percentage of school districts with private schools eligible to have their students participate in Chapter 2 had decreased somewhat to 38 percent. This decline represented an across-the-board decrease in the percentage of districts with private schools eligible for participation in Chapter 2.

Three-quarters of districts with enrollments of 600 or more⁴ and with eligible private schools used ECIA funds to serve private school students in 1984-85; in the remainder of LEAs, private schools elected not to have their students take part in the program. The extent of participation varied by district size—the larger the district, the higher the rate of participation. This same pattern continued into the 1991-92 school year.

In most districts (80 percent), there was no change in the number of private schools having their students participate in Chapter 2 from the time of the antecedent programs (before 1982) to 1984-85; 18 percent of districts reported an increase and 2 percent a decrease. New participants were attracted by the availability of more services than before Chapter 2, the perception of a wider range of services, and the administrative simplicity of the block grant. On the other hand, districts varied widely on the number of private schools with students participating in Chapter 2 in 1984-85; the average number of schools with

⁴ All analyses of services to private school students reported in the 1984-85 study were done with districts enrolling 600 or more students because of the unreliability of estimates based on the small number of responding districts in the "very small" size category (under 600 students) that served private school students (Cooperstein, 1986).

Table 6-2

**DISTRICTS SERVING PRIVATE SCHOOL STUDENTS IN ACTIVITIES
SUPPORTED BY CHAPTER 2**

District Size	Percentage of Districts			
	That Have Eligible Private Schools		Serving Students in Eligible Private Schools*	
	1984-85	1991-92	1984-85	1991-92
All districts	42	38	75 [†]	69
Very large (25,000 or more)	100	96	95	96
Large (10,000 to 24,999)	96	89	86	91
Medium (2,500 to 9,999)	74	65	79	71
Small (600 to 2,499)	46	36	67	60
Very small (under 600)	16	15	--**	--††

* Based on districts with eligible private schools, excluding districts where the private school student component is handled by a bypass contractor or an intermediate unit. This is the case in 12% of the districts nationwide that have eligible private schools.

† Excluding very small districts.

* Too small a sample size for national estimate . Of a total of 15,533 districts, 6,508 (41.9%) were excluded from the analysis; these comprised 3.8% of the nation's students.

†† This group of districts was eliminated from the analysis in order to provide comparable data for the two periods.

Sources: Knapp & Blakely (1986); items 26 and 28, district survey.

participating students ranged from 1 to 328 across all size categories. Variation was again a function of district size since the majority of private schools are located in large districts. Private schools with participating children included both religious and nondenominational schools. In 1984-85, the most common private schools with students participating in Chapter 2 were Catholic, which was to be expected since Catholic schools made up about 50 percent of the nation's private schools (Nehrt, 1981).

Participation rates of private schools also appear to have remained constant between 1984-85 and 1991-92. As shown in Table 6-3, the median numbers of private schools within a district with students participating in Chapter 2-supported activities remained virtually identical during this time period. The median continues to be 2 private schools across all districts of 600 or more students, with the same ranges across district size categories.⁵ According to a limited sample of sectarian private schools⁶ surveyed regarding their participation in both Chapter 1 and 2 in 1990-91, 86 percent of Catholic schools reported that their students received Chapter 2-supported services, while 76 percent of other denominational schools reported that their children participated in Chapter 2.

The lack of change in participation rates indicates little impact as a result of the reauthorization of Chapter 2; participation rates appear to be more a function of long-standing relationships between districts and private schools that have remained cordial over the years.

Jefferson already enjoys the maximum possible participation rate among private schools, which is attributed to the cooperative relationship between the district and the private school administrators.

⁵ The total number of private schools with students participating in Chapter 2 may have decreased since fewer districts had private schools eligible for participation, as indicated in Table 6-2. The median number of private schools includes only districts with eligible private schools.

⁶ A survey of 400 religious schools, stratified by religious affiliation and by grade level, that enrolled students who were eligible for and received Chapter 1 services during the 1990-91 school year. The sample of schools in this survey were selected from a nationally representative sample of 100 school districts that provided Chapter 1 services to religious school participants. Schools in Virginia, Missouri, and Puerto Rico were not included (Haslam and Humphrey, 1993). Although this is not a representative sample of private schools whose students were receiving Chapter 2 services, it does provide a larger pool of private school respondents than were interviewed during site visits in the 1991-92 school year (no surveys were distributed to private schools as part of the current analysis).

Table 6-3

**NUMBER OF PRIVATE SCHOOLS WITH CHILDREN PARTICIPATING
IN LOCAL CHAPTER 2 PROGRAMS**

District Size	Median Number of Private Schools with Students Participating in Chapter 2*	
	1984-85	1991-92
All districts (600 or more)	2	2
Very large (25,000 or more)	12	12
Large (10,000 to 24,999)	4	3
Medium (2,500 to 9,999)	2	2
Small (600 to 2,499)	1	1

* Based on districts with one or more private schools with students participating in Chapter 2, and in which the private school student component is administered at the district level.

Sources: Knapp & Blakely (1986); items 26 and 28, district survey.

All of the eligible private schools in Green Oaks participate in the Chapter 2 program. District staff stated that they make the process very easy for private school officials, and so their students continue to participate.

Despite the general pattern, we did see instances of increased participation due to changes in the local economy and increased efforts on the part of LEAs. We also found barriers to increasing participation levels, such as local efforts and attitudes on the part of LEA and private school staff.

Cooperation, timely notification, regular communication, and the recession have facilitated the gradual increase in the number of private schools electing to have their children participate in Chapter 2 in Leland. Diligence on the part of LEAs in contacting eligible private schools have helped to increase the number of private schools in the state with children participating in Chapter 2.

Half of the private schools in Emery Park do not have children who participate in Chapter 2 because they do not want to be under any federal mandates, and the Chapter 2 coordinator is not actively trying to get them to change their minds: "Why should I try to encourage them to participate in a program they do not want to be in? That would only mean more paperwork for me."

In 1984-85, eligible private schools that elected not to have their children participate in Chapter 2 did so primarily because of philosophical opposition to participating in government programs or, in the case of the smaller private schools in particular, the relatively small amount of money available to serve their students. A lack of outreach on the part of local districts did not seem to be a major factor in nonparticipation. Nothing in the reauthorization lessened these objections by private school administrators, thereby contributing to the fact that participation rates have remained fairly constant across the years.

Expenditures and Services

Even though the funds available for services for private school children nearly tripled under ECIA by comparison with what antecedent programs were likely to provide, the total amount allocated to services for private school students tends to be a small percentage of the Chapter 2 funds that districts receive each year. In 1984-85, on average, 14 percent of a district's annual Chapter 2 allocation went to provide services for private school students, and there was relatively little variation in this average across district size categories (see Table 6-4). However, when individual districts were considered, the figure ranged from less than 1 percent to more than 50 percent of the annual Chapter 2 allocation. There was also

Table 6-4

LOCAL CHAPTER 2 ALLOCATIONS TO SERVE PRIVATE SCHOOL STUDENTS

District Size	Median Amount Available from District's Allocation*		Mean Percentage of District's Chapter 2 Allocation	
	1984-85	1991-92	1984-85	1991-92
All districts (600 or more)	\$2,576	\$1,112	14	9†
Very large (25,000 or more)	28,908	23,732	9	9
Large (10,000 to 24,999)	7,500	4,586	8	7
Medium (2,500 to 9,999)	2,801	1,362	11	8
Small (600 to 2,499)	1,423	417	19	10

* Based on districts with one or more private schools with students participating in Chapter 2, and in which the private school student component is administered at the district level.

† According to 1991-92 annual report data, the mean percentage of local Chapter 2 funds used to serve private school students represented 7% of the LEA allocation across all states (Padilla and Williamson., 1993).

Sources: Knapp & Blakely (1986); items 26 and 28, district survey.

wide variation in the median amount of Chapter 2 funds available across districts for services to private school students, from a high of \$28,908 to a low of \$1,423. In 1991-92, the average amount of Chapter 2 funds available to serve private school students dropped to 9 percent of a district's annual Chapter 2 allocation. The median allocation across all districts with 600 or more students went down by almost \$1,500 (or 57 percent). Where the decrease in the average amount of Chapter 2 funds available for services to private school students occurred is a matter of definition. In terms of absolute dollars, the largest decline from 1984-85 to 1991-92 was in the very large districts (just over \$5,000 less than in 1984-85), but the greatest decline in terms of percentages was in the small districts with enrollments of 600 to 2,499 students (a 71 percent or \$1,006 per LEA) decrease. The explanation for the decrease in the amount of local funding allocated to serve private school students is perhaps twofold: there has been a decline in the number of districts with eligible private schools (as reported in Table 6-2), and there has been a decline in the number of private school students within eligible private schools (e.g., in Maple, private school enrollment has declined by 7 percent from 1983 levels).

In 1984-85, the vast majority of districts (94 percent) spent equal amounts per pupil for public and private school students. Unequal per-pupil expenditures could result from differentially charging the costs of Chapter 2 services as authorized by the regulations.⁷ Although we did not compare per-pupil expenditures at a national level in our current analysis, data from the case studies indicate that unequal expenditures per pupil between public and private school students still exist to some extent.

As shown in Table 6-5, in 1984-85, virtually all (92 percent) of the districts serving private school students under Chapter 2 purchased equipment and materials to support libraries, media centers, and other school departments, and a large majority of districts (68 percent) also purchased equipment and software for computer applications. Relatively few districts used Chapter 2 funds to support curriculum development, staff development,⁸ instructional services, or student support services for private school students, although

⁷ Regulations state that LEAs may not take into account the extent to which children in private schools generate a portion of an LEA's allocation, but they may take into account differences in the costs per child of meeting the needs of the individual children to be served and other factors that relate to these expenditures [Section 298.34 (a)].

⁸ This percentage may be underestimated because respondents may not have included staff development funded by the portion of the LEA's Chapter 2 funds available to provide services to public school

Table 6-5

LOCAL CHAPTER 2 SERVICES FOR PRIVATE SCHOOL STUDENTS IN 1984-85

District Size	Percent of Districts*					
	Computer Hardware/ Software	Library/ Media Center Support	Staff Development	Curriculum or New Program Development	Instructional Services	Student Support Services
All districts (600 or more)	68	92	11	22	9	6
Very large (25,000 or more)	84	100	30	22	16	6
Large (10,000 to 24,999)	83	95	16	21	12	10
Medium (2,500 to 9,999)	64	91	14	20	9	7
Small (600 to 2,499)	66	91	6	24	6	4

* Based on the 42% of districts with one or more private schools with students participating in Chapter 2, and in which the private school student component is administered at the district level.

Source: Knapp and Blakely (1986)

there was some variation by district size (particularly in the areas of staff development and instructional services). These spending patterns tended to provide a smaller range of services to private school students than that provided to the public school students under Chapter 2.⁹

The types of services provided to private school students have not changed significantly since the reauthorization, despite the creation of targeted assistance areas. Where direct comparisons could be made, for example, LEAs reported, on average, that the greatest expenditures to serve private school students in 1991-92 were in the areas of instructional resource support (86 percent) and computer hardware/software applications (45 percent), as shown in Table 6-6. There was a 4 percent increase in the number of districts providing private school staff with professional development training (from 11 percent to 15 percent).

The decline in acquisitions of computer hardware and software may be due to a satiation of need for these types of purchases, whereas the need for instructional materials continues because many of these materials are consumable.

A sample of private schools that were surveyed regarding Chapter 2 services provided to their students in 1990-91 indicated similar spending patterns with regard to instructional materials, but higher levels of service for staff development-related activities. More than four-fifths (85 percent) of the schools reported that they had received instructional and educational materials for libraries, media centers, or other departments serving students, 67 percent had received computer hardware or software for student use, and 40 percent were provided with Chapter 2-supported staff development. Typically, in the sites we visited, private school students were provided services in one area until needs in other areas became more prominent. Other influences on the choice of target area activities include service delivery patterns and the fact that the private schools are already participating in services offered by the district.

The allocations to serve private school students in Maple are still used primarily to purchase materials and equipment, but in the last couple of years there has been an increase in the proportion of funds supporting at-risk and innovative programs. One of the private school principals commented that the target areas gave her staff some different ideas about activities they might seek support for since the needs of

⁹ Federal regulations (Section 298.33) specify that LEAs provide services to private school students comparable to those they provide for the participation of public school children.

Table 6-6

LOCAL CHAPTER 2 SERVICES FOR PRIVATE SCHOOL STUDENTS IN 1991-92

District Size	Percent of Districts*							
	Instructional Resource Support	Computer Hardware/ Software	Staff Development	Personal Excellence of Students	Programs for At-Risk Students	General Innovative Projects	Schoolwide Improvements	Other Uses
All districts (600 or more)	86.5	44.9	14.8	13.1	10.6	8.0	5.0	1.3
Very large (25,000 or more)	94.1	78.7	32.7	30.5	32.4	26.9	15.5	1.3
Large (10,000 to 24,999)	86.9	57.7	22.2	14.7	19.9	13.1	7.5	1.0
Medium (2,500 to 9,999)	85.5	49.4	15.8	9.6	9.3	6.1	2.6	0.0
Small (600 to 2,499)	86.4	30.4	8.5	13.8	5.5	5.5	5.3	2.8

* Based on the 39% of districts that had eligible private schools. Of these LEAs, 66% allocated Chapter 2 funds to serve private school students.

Source: Item 29, district survey.



their students had begun to change. There is much more interest in comprehensive programs for at-risk students and integration of technology into the curriculum. The largest private school in Bay View requested support for a program to train staff on how to deal with the multitude of problems that their students are now facing (e.g., suicide, drugs, death of a family member).

Private schools in Leland participate in districtwide in-service training. Some of the in-service sessions are funded by Chapter 2, but many of the professional development events are supported by other funding sources. As these large-scale events have gradually given way to school-level delivery of professional development activities, private schools may request more staff development through Chapter 2.

Most of the services for private school students or staff under Chapter 2 have been provided on the site of the private school since many of the services involve materials and equipment. In these instances, the private schools generally submit requests to the district, and once the LEA application is approved by the SEA, the district orders the materials/equipment. The items are delivered to the district and are marked with the program name, or as property of the district. The materials/equipment are then delivered to the private schools and remain there for students to use. If a private school should decide not to have its children participate in Chapter 2, then equipment is removed (materials may have already been consumed or be too used to be of value and hence are not recovered).

According to federal regulations, private school students must receive services under Chapter 2 "on an equitable basis" [Section 298.34 (b)]. As it is put into practice, this requirement usually means that services for private school students are thought to be appropriate to their needs. On the other hand, federal regulations [Section 298.31 (a)] intentionally place some limitations on what services can be offered and how they are delivered to private school students (e.g., for secular purposes only, provided by public school employees or through contracts with staff independent of the private school). Other restrictions initiated by SEAs and LEAs, however, may limit the range of choices currently offered for private school students. When asked whether districts specified any limitations regarding the use of Chapter 2 funds to serve private school students, 30 percent of districts, for example, responded that purchases or programs for private school students must be for the same things as those for public school students (see Table 6-7). Almost a fourth of districts (23 percent) will not allow materials or equipment purchases for private school students. Of the private schools surveyed in 1990-91 regarding possible limitations imposed by the public school district, 68 percent reported that Chapter 2

Table 6-7

**TYPES OF LIMITATIONS PLACED ON LOCAL CHAPTER 2
PURCHASES/PROGRAMS FOR PRIVATE SCHOOL STUDENTS**

District Size	Percent of Districts*				
	Not for Staff	Not for Materials/ Equipment	Secular Purposes Only	Same Things as Public Schools	Other Guidance
All districts (600 or more)	25.6	22.9	31.0	29.9	6.6
Very large (25,000 or more)	39.4	30.1	60.9	35.9	13.1
Large (10,000 to 24,999)	31.9	29.4	46.3	30.6	10.9
Medium (2,500 to 9,999)	27.2	26.4	38.9	31.7	6.6
Small (600 to 2,499)	20.6	16.2	15.7	27.3	4.6

* Based on the 64% of districts that reported specifying limitations regarding use of Chapter 2 funds for private school students.

Source: Item 30, district survey.

services for their students must be used for the same things as provided to public school students, while 79 percent indicated that Chapter 2 funds could be used only for books, materials, and equipment.

In Indiana, both LEAs and private schools must now show how equipment purchases will fit into the broader educational curriculum of the school. One of the large districts in this state has taken a very strict interpretation of this requirement and decided that Chapter 2 funds will not be used in either public or private schools to purchase equipment. Therefore, when one of the private schools requested the use of calculators to supplement its math program, the request was denied. In contrast, in an LEA in another state, Chapter 2 funds for private school students can be used *only* to purchase books, materials, or equipment.

Despite this evidence of possible limitations, site visit data suggest that most private school officials feel that Chapter 2 is supporting what their students need. Their use of Chapter 2 funds and their opinions about the program are often a reflection of the small amount of money available for services to students in a given private school, critical needs for equipment and materials, and established expectations for services over a long history of participation.

Chapter 2 funds allocated for services to private school students in Colorado are used primarily for materials and supplies. A private school representative in Colorado stated that perhaps there could be some pooling of resources among private schools in order to fund different kinds of activities, but given the diversity among the schools, it would be very difficult to get agreement on common activities among the majority of private schools.

Private school principals surveyed in 1990-91 about their experiences with both Chapter 1 and Chapter 2 were divided regarding the ease of access to services from one program or the other. Almost half (46 percent) of them indicated that there was generally no difference in the ease of gaining access to services or equipment through Chapter 2 or Chapter 1 for eligible students. On the other hand, a third of the principals responded that it was generally easier to gain access to services through Chapter 2 than through Chapter 1; none of the principals felt that it was easier to gain access to services through Chapter 1.

Administration

By 1984-85, district administration of services for private school children under Chapter 2 were fairly routinized. Typically, all private schools that were eligible were notified.¹⁰ Consultation generally consisted of holding a meeting of the private school principals to discuss procedures, amount of services available, and guidelines (86 percent of districts reported that they provided some type of guidance). The district collected and reviewed all of the private school requests for services, obtained revisions if necessary, and incorporated them into the district's application to the state. The same pattern generally continues to exist.

Private school organizations play a variety of roles in Chapter 2 at the local level. For example, Catholic diocesan offices tend to be particularly active as liaisons between districts and private schools and as supports to the private school principals in large districts because these districts are usually located near the diocesan offices; elsewhere, the diocese tends to have less influence (Cooperstein, 1986). For example, the Archdiocese of Maple has appointed one of its staff members to focus on entitlement programs to share information among the Catholic schools and to help initiate program ideas. The schools are very much interested in continuing their involvement in the Chapter 2 program, and would like to become more involved in the design of Chapter 2 at the state and national levels.

Virtually all districts (95 percent) reported that they monitored Chapter 2-supported services to private school children to some degree in 1984-85. This typically involved checking private school requests and resulting purchase orders for conformity to Chapter 2 guidelines, but not by actual on-site monitoring. Districts tended to monitor the nature of these services, but not their implementation. In 1991-92, 90 percent of districts reported some degree of monitoring of Chapter 2 services to private school students. The most frequently monitored aspects of services/purchases for private school students, as shown in Table 6-8, included: (1) that Chapter 2 funds provide services that supplement not supplant the level of services that would, in the absence of Chapter 2 services, be

¹⁰ To receive Chapter 2 funds, an LEA must contact, on an annual basis, appropriate officials from private schools in its area to determine whether they desire their students to participate in the Chapter 2 program. Officials from participating private schools must be consulted regarding "the development and implementation of the chapter 2 program before the LEA makes any decision that affects the opportunities of private school children to participate in the program" (Section 298.32).

Table 6-8

**LOCAL MONITORING OF CHAPTER 2 SERVICES
FOR PRIVATE SCHOOL STUDENTS IN 1991-92**

District Size	Percent of Districts*						
	Sign Assurances of Nondiscrimination	Check Nonprofit Status	Check for Secular Use	Benefit Students, Not School	Supplement Not Supplant	Other Monitoring	
All districts (600 or more)	29.3	26.3	56.8	59.1	61.2	17.4	
Very large (25,000 or more)	62.7	64.6	87.7	87.5	81.0	24.7	
Large (10,000 to 24,999)	35.8	39.3	70.4	71.6	73.9	13.8	
Medium (2,500 to 9,999)	27.5	22.2	62.3	64.3	66.8	9.7	
Small (600 to 2,499)	23.9	20.6	40.6	44.0	46.8	26.7	

* Based on the 90% of districts that reported monitoring Chapter 2 services for private school students.

Source: Item 31, district survey.

available to children enrolled in a private school (61 percent of districts); (2) that Chapter 2 funds benefit students and not the private school (59 percent of districts); and (3) that equipment or materials are used for secular, neutral, and nonideological purposes (57 percent of districts). These percentages are higher in the larger districts, where most of the private schools are served and where LEAs tend to be monitored more often by the SEA concerning Chapter 2. Almost three-quarters (72 percent) of private schools surveyed in 1990-91 reported that they were monitored annually by the LEA. They also reported a higher frequency of monitoring for supplementing not supplanting (80 percent), that funds benefit students and not the school (75 percent), and that equipment or materials are used only for secular purposes (82 percent).

As mentioned earlier, districts did not tend to evaluate services for private school students in 1984-85, except when it was required as part of a state evaluation. With the new evaluation requirements contained in the 1988 amendments, private school children were not necessarily more likely to be included in evaluation activities in the 1991-92 school year.

The major administrative responsibility for the private school student component of Chapter 2 falls to the public school districts, rather than the private schools, because of the constitutional limitations on using public funds to serve private school students. Across all districts serving private school students in 1984-85, the majority (57 percent) reported encountering no problems in administering services for private school students or did not consider this administrative component to be burdensome. On the other hand, the administration of services for private school children can be complex, especially in districts with large numbers of private schools.

In 1984-85, the great majority (70 percent) of the very large districts, for example, found notification, consultation, paperwork, monitoring, unreimbursed administrative costs, or a combination of these to be a burden. In the very large districts, private school student involvement was considered to be the most burdensome aspect of Chapter 2 by far. But district size by itself was not the sole determinant in the perception of burden. Administrative burdens can be lessened by arrangements that are well established and local leadership that is supportive. Disharmony between public and private schools is more likely where district staff are opposed in principle to serving private school students with public funds and perceptions of differentially distributed special needs exist, regardless of district size. In our site visits, we saw instances of both harmony and disharmony linked to perceptions of burden.

In Central Valley, the district has lost approximately 39 percent of its student body because of white flight and changing housing patterns. The growth in private schools has put them in direct competition with the public schools for enrollment. As a result, district staff are quite resentful of having to provide private school children with publicly funded services¹¹ to help improve their instructional program and thereby increase their competitive edge. Currently, a third of the private schools have children participating in Chapter 2, and services to private school students account for 11 percent of the district's Chapter 2 allocation. The Chapter 2 coordinator complained about the time it takes to provide for inclusion and monitoring of the services for private school children: "It's a hassle."

The Chapter 2 coordinator in Maple is opposed to providing publicly funded services to private school children in schools that charge high tuition, given the large numbers of low-income students in the district who do not receive additional services. She also finds the involvement of private school children burdensome on administrators. Because of the large number of private schools with children involved in Chapter 2 (67), a lot of time and effort is required by her staff to essentially operate a program within a program. LEA staff have tried to simplify the procedures for private school student involvement to eliminate some of the barriers to their participation in any educational program in which they are entitled to participate, and this effort has resulted in a good working relationship. Approximately 80 percent of eligible private schools have children participating in Chapter 2, and private school staff have a very positive attitude about the LEA staff members that they work with: "They really work with us."

In smaller districts like Bay View, the amount of funds set aside to serve private school students is so small that working with private schools has not imposed much of a burden on the district. The Chapter 2 coordinator in the Packwood district finds dealing with Chapter 2 requirements much less problematic than with Chapter 1 since there are fewer rules and regulations attached to the Chapter 2 program.

Summary

Under the Chapter 2 statute and regulations, the primary responsibility for serving private school students falls to the LEA. In 1991-92, 9 percent of local Chapter 2 funds were allocated to serve students in private schools. The majority of these funds were used to purchase instructional materials and equipment.

In general, we found that changes in participation rates and allocations to serve private school students under the Hawkins-Stafford Amendments were minimal compared

¹¹The presence of eligible private school students also generates additional funding for districts.

with changes that occurred when Chapter 2 was first initiated. Private school participation rates tend to be more a function of long-standing relationships between districts and private schools that have remained cordial over the years. Various aspects of the state context, such as state law and SEA support, can also set the tone for the involvement of private school students. Moreover, private school organizations at the state and local levels can influence Chapter 2 practices.

7 THE RESEARCH QUESTIONS REVISITED

In this final section, we return to the 16 research questions posed for this study. We answer each, using the entire array of study data—case studies of SEAs, case studies of LEAs, the state survey, the district survey, and our review of past studies of Chapter 2. The final research question—“How can the Chapter 2 program be improved at the federal, state, and local levels?”—is treated in detail at the conclusion of this section.

1. What kinds of activities are being supported with state and local Chapter 2 funds? How do Chapter 2 activities relate to the National Goals and how does Chapter 2 contribute to systemic educational reform?

Chapter 2 supports a wide array of activities—programs of professional development, programs using library or other instructional materials, and programs and services for students. There is no defining characteristic or theme across Chapter 2 activities. Virtually all types of educational programs, activities, positions, and purchases have been funded by Chapter 2.

Chapter 2 activities now are generally categorized in seven target areas, which we found to be duplicative and misleading. (Areas of emphasis and expenditures for each target area are discussed under Question 4.) We found that Chapter 2 also funds some programs and activities that are not directly related to students, instruction, teaching, or school performance. This was more prevalent at the local level than at the state level.

Chapter 2 supports reform at both the state and local levels. However, in most cases, Chapter 2 funds have not been the impetus for state/local reform; rather, they are used as a convenient source of funding after the agency has committed to the reform effort. In a similar vein, Chapter 2 activities can be linked to the National Goals, but they were not usually specifically designed or funded to do so. The other side of this picture is that, in some cases, Chapter 2 funded activities that were isolated from exciting reform initiatives under way in states and districts.

2. What is the impact of Chapter 2 in state education agencies (SEAs) and local education agencies (LEAs)? Are Chapter 2 funds being used to support the top educational priorities of SEAs and LEAs? What would be the effect of the absence of Chapter 2?

SEAs reported that Chapter 2 promotes educational reform, promotes innovation and allows them to take risks, provides flexibility to address state and local needs/priorities as they arise, provides additional opportunities for professional development, supplements the regular state education program by providing additional resources, and provides resources to acquire, expand, and experiment with technology. Each of these impacts was illustrated in our case studies of SEAs.

Locals claim that Chapter 2 has had positive impacts on students, staff, and their districts, with an emphasis on student outcomes. Student outcomes include exposure to new materials/technology, improved student services, and improved student performance. These effects were most pronounced for very large districts. Staff outcomes were improved staff morale, improved staff qualifications, and, to a lesser extent, providing funding for additional staff. We cross-validated each of these student and staff outcomes with data from the local case studies. Districts experienced benefits as well. Chapter 2 allowed them to continue programs and initiate programs. It should be noted, however, that nearly all local effects decreased with the size of the Chapter 2 grant, suggesting that a threshold level of Chapter 2 funding is necessary to realize benefits.

The principal way that Chapter 2 is used to support educational improvement is by funding activities related to local and state priorities. Both the survey data and the case study data substantiate this practice. The flexibility of Chapter 2—its distinguishing feature—makes it well suited for this purpose.

Without Chapter 2, most activities it funds would be continued because Chapter 2 typically constitutes only a small percentage of any program's funding. However, both states and locals would have lost a source of funds that comes with "no strings attached"—funds that allow them to experiment, be creative, and respond to needs as they arise. They would be restrained in their ability to fund innovative programs, untried programs, and nontraditional programs because regular education funds are typically reserved for basic educational programs and services, especially when educational resources are scarce.

3. What is the effect of the “supplement-not-supplant” provision of Chapter 2 on state and local programs? What educational reform and improvement activities might Chapter 2 support if this requirement were eliminated?

Supplement-not-supplant has kept Chapter 2 focused on educational improvement by protecting the program funds from general use. As state and local education agencies face budget cuts or other financial strains year after year, supplement-not-supplant says “hands off!” It buffers the program from pressure to cover the cost of general education programs and allows districts to fund programs that otherwise would not have been implemented. However, it also may have hindered innovation, especially in terms of support for mandated reform. States and districts are unclear about the limitations of supplement-not-supplant, and many cautious Chapter 2 administrators will not use the funds to support mandated reform efforts.

If the supplement-not-supplant provision were revised, state Chapter 2 coordinators felt that their states would support a greater number of reform-related activities, including those mandated by state legislatures. Chapter 2 would also support more professional development activities, the coordination and integration of services across program initiatives, expansion of support for instructional technology, model or innovative programs, and the creation of programs to address particular target groups (e.g., high-risk students, preschool programs) or social issues (e.g., drug abuse prevention, anti-violence, parent involvement, schools as community centers).

4. How do Chapter 2-supported activities relate to the target areas? What are the national expenditures by target area? Do the targeted assistance areas provide needed direction for program activities or do they overly constrain the use of Chapter 2 funds for educational improvement?

LEAs allocated the largest percentage of their grants for instructional materials, followed by programs for at-risk/high-cost students, programs to enhance school climate and educational programs, and professional development. SEAs allocated the largest percentages of their grants to innovative programs, followed by programs for at-risk/high-cost students, programs to enhance school climate and educational programs, and professional development.

SEAs and LEAs funded an array of activities under each target area, although many times the classification of activities was dubious. SEAs and LEAs classified similar activities under different target areas, changed the classification of an activity,

inappropriately classified activities, and limited the use of target areas with state or local policies. Thus, the target areas have not served their intended purpose of focusing Chapter 2 on educational improvement. They are broad, vague, and overlapping. As such, they did not restrict the uses of Chapter 2 funds, nor did they serve as a guiding factor for many districts in deciding how to spend their Chapter 2 funds.

5. To what extent are Chapter 2 funds used for innovation or as seed money? To what extent are Chapter 2 funds supporting pilot projects that other funds later support and/or expand? To what extent are Chapter 2 funds used to support activities on a continuing basis?

Chapter 2 funds are used primarily as a source of continuation funding by both states and districts. States used Chapter 2 as seed money for new programs that are eventually picked up with other funds much more so than locals. States also tended to use Chapter 2 to fund new/pilot programs with 100 percent Chapter 2 funding, whereas districts rarely did so. Thus, it appears that states, more than districts, take advantage of Chapter 2 for innovation.

With respect to the tendency of both states and districts to continue programs with Chapter 2 funds, we found that this practice often takes place without supporting evaluation data. Many districts also funded the same activities seemingly out of habit—because that was the way it had always been done. In such cases, little critical thought was put into whether activities **should** continue to receive Chapter 2 funding or what might constitute better uses of Chapter 2 funds.

6. What kinds of state administration activities are being supported with Chapter 2 funds? What are the national expenditures for state administration of Chapter 2?

States spend approximately \$17 million administering the Chapter 2 program, bearing a disproportionate share of administrative responsibilities vis-à-vis LEAs. As the intermediate organizational unit between the U.S. Department of Education (ED) and school districts within the state, SEAs perform a variety of administrative tasks in conjunction with both types of agencies, including the following: processing local applications, disbursing LEA grants, coordinating SEA programs, monitoring and evaluating state and local projects, operating Chapter 2 state advisory committees, disseminating state and federal guidelines, providing technical assistance on regulations

and educational programs, conducting on-site reviews and visits, and organizing periodic meetings for local Chapter 2 personnel.

7. What kinds of technical assistance activities are being supported by Chapter 2 funds? What are the national expenditures for Chapter 2-supported technical assistance?

Technical assistance is a complex topic that does not lend itself to a single, precise definition. For purposes of this study, we defined two different types of technical assistance provided through Chapter 2 funding: (1) guidance provided by SEAs on Chapter 2 administrative matters, which we referred to as "procedural technical assistance," and (2) training and assistance provided as part of activities receiving Chapter 2 support, which we termed "programmatic technical assistance."

SEA respondents viewed procedural technical assistance as a subset of their administrative responsibilities. Survey data show that all states provide information to LEAs on application procedures, federal rules and regulations, and allowable uses of Chapter 2. Most states also provide guidance on record keeping and reporting, serving private school students, conducting needs assessments, and evaluation. Professional development and capacity building are key features of programmatic technical assistance. Many of these activities are often linked to the SEA's efforts to implement the effective schools requirement of Chapter 2, as well as to more comprehensive approaches to school reform and restructuring under way in numerous states. Together, the innovative programs and professional development target areas (Target Areas 3 and 4), as well as the allocation for administration, total \$35,399,157, or almost half of all Chapter 2 funding received by SEAs in 1991-92. This is a provisional estimate of the national Chapter 2 technical assistance expenditures at the state level because it does not include professional development opportunities reported under other target areas, and not all activities under Target Areas 3 and 4 result in the delivery of technical assistance to LEAs and schools.

School districts resemble SEAs in their dual technical assistance functions, but case study data suggest that LEA personnel are more likely to aim for programmatic technical assistance. Training and assistance related to Chapter 2-supported activities manifested themselves in various forms: collaborative efforts between the LEA and school staff, the trainer-of-trainers model, site-based grants, districtwide training, and use of consultants. Chapter 2-supported staff development efforts are virtually always part of broader staff development and technical assistance efforts at the local level. For this reason, it is rarely

possible to specify exactly what role Chapter 2 plays by itself. Chapter 2 resources are usually an important supplement to new and existing efforts, but sometimes these funds are found at the margins of these initiatives.

Because of the effective schools set-aside requirement, SEAs tend to report more technical assistance associated with these programs than do LEAs. Summing Target Areas 3 and 4 among LEA allocations yields a total of \$78,334,032, which represents 21 percent of the public school share of Chapter 2 funds at the local level.

- 8. To what extent do SEAs and LEAs target specific groups of students and specific schools for Chapter 2 resources? Do Chapter 2 activities focus on at-risk or "high-cost" students? Are these services coordinated with other programs (e.g., Chapter 1) that are designed for these students?**

We found that neither SEAs nor LEAs generally targeted Chapter 2 funds to any particular group of students (fewer than half reported doing so), despite the fact that Chapter 2 allocations suggest that they do. Of those states/districts that did target groups of students, they tended to focus on students with at-risk/high-cost characteristics (e.g., low-achieving students). However, Chapter 2 activities do not reflect an emphasis on at-risk/high-cost students, particularly at the district level.

Chapter 2 is spread relatively evenly across schooling levels. The highest percentage of districts fund Chapter 2 programs at the elementary, middle, and high school levels. Prekindergarten and kindergarten are funded the least frequently, but still by more than half of all districts.

More than 80 percent of local Chapter 2 programs and services are coordinated with other sources of funding, most typically with the regular district budget, and at lower levels with state Chapter 2 funds and other federal funds. The survey data do not tell us specifically how Chapter 2-funded at-risk programs were coordinated with other funding sources. The case study data are more informative in this respect. We found that Chapter 2-funded programs were often coordinated with Chapter 1 programs—for example, to extend services to academically disadvantaged students in schools that were not receiving Chapter 1 funds, and to serve non-Chapter 1 students in Chapter 1 schools.

9. How is Chapter 2 accountability ensured at the federal, state, and local levels? What types of monitoring/evaluation activities occur and what outcomes are examined?

The Hawkins-Stafford Amendments mandated two reporting requirements of SEAs: an annual report on state and local Chapter 2 allocations and a state self-evaluation of the effectiveness of state and local Chapter 2 programs. In addition to routine monitoring and review of applications, the federal government uses the two mandated reports to ensure accountability. The annual report includes information on the types of services provided, the funds budgeted for these services, and the children being served. The SEAs were given wide latitude on how to conduct the self-evaluations of effectiveness. Consequently, the evaluations differ in focus, methodology, and quality. Further, because SEAs could select which programs to evaluate and which data to report, the self-evaluations tend to be positively biased.

SEAs view their role as being more facilitators than monitors. Consequently, SEAs attempt to minimize accountability requirements and seek to turn monitoring efforts into opportunities for technical assistance. In most SEAs, evaluation requirements are also kept to a minimum. The accountability strategies used most often by SEAs for local Chapter 2 programs include review of LEA applications, review of LEA evaluations, and review of other LEA documentation. Fewer than half of the SEAs indicated that they conduct yearly evaluation studies. SEAs also monitor and evaluate Chapter 2-funded activities at the state level. In some states, the monitoring and evaluation is part of what the SEA does on a routine basis for any program; in others, it consists of a specific evaluation of the state Chapter 2 program or components of the program. These evaluation requirements are similar to what is requested of LEA programs: descriptions of purpose, objectives, and the measurement of objectives.

Local accountability mechanisms are influenced largely by SEA accountability requirements that focus on assessing compliance with federal and state regulations and fiscal accountability. Minimal evaluation requirements translate into a wide variety of evaluation activities at the local level or no evaluation activities at all (in nearly one-fourth of districts). Of those LEAs that conduct evaluations, most collect informal feedback or anecdotal evidence on program outcomes.

10. What guidance does the federal government give to SEAs and LEAs in interpreting and implementing Chapter 2 program requirements, including nonregulatory guidance? How do SEAs and LEAs evaluate federal support/guidance?

The federal Chapter 2 office employs predominantly formal mechanisms for disseminating information and assistance to SEAs and LEAs. These include the guidance contained in the rules and regulations, the nonregulatory guidance, and "Dear Colleague" letters that are sent to all SEA Chapter 2 coordinators in response to inquiries of general interest. Guidance is also offered during federal monitoring visits and at the annual conference of SEA Chapter 2 coordinators. The Chapter 2 program office most frequently offered assistance to SEAs about program administration and operations.

SEAs were generally satisfied with the quality of their interactions with the federal Chapter 2 program office. They were most satisfied with the guidance they received in operating their programs and assistance received during site visits by federal staff. They were least satisfied with the time it took to get feedback on their submissions to ED and with guidance they received in conducting evaluations.

11. To what extent do SEAs provide direction and leadership to LEAs regarding Chapter 2? How do states administer the Chapter 2 program with respect to distribution formulas, LEA applications, and technical assistance?

It appears that most SEAs strike an appropriate balance between providing technical and advisory assistance and refraining from influencing the decision-making process of LEAs. Direction and leadership for local Chapter 2 programs, when they occur, are most likely to be transmitted by means of overarching state reform priorities, not through specific Chapter 2 activities at the SEA.

Distribution formulas, LEA applications, and technical assistance are components of SEA administrative activities. Student enrollment is the most important factor in SEA distribution formulas. The most significant adjustment factor is for students from low-income families. With regard to the application process, SEAs and LEAs follow a basic sequence of activities: SEAs notify LEAs of their tentative Chapter 2 allocations for the next fiscal year, typically in the spring; once districts know their preliminary entitlements, they submit applications to the SEA; SEA personnel review the applications, seek clarification when necessary, and grant approval. Guidance on program requirements is

delivered in several forms, including information included in annual application packets, annual meetings and conferences, site visits, and telephone calls.

12. What administrative activities are conducted at the LEA level? How much does it cost to administer Chapter 2 at the local level?

The administrative requirements placed on school districts by the Chapter 2 legislation are broadly stated and minimal relative to other federally supported programs: applying for funds, accounting for expenditures, reporting to the SEA, and administering services for private school students. Districts are not required to conduct a formal annual evaluation of their Chapter 2-supported activities unless the SEA asks them to do so.

The total allocation for administration at the local level in 1991-92 was \$12,236,155. On average, only 3 percent of a district's Chapter 2 public school allocation supports administrative costs. The proportion of funds is low because only 12 percent of districts that receive Chapter 2 funds charge for the administration of the program, and most of these districts are very large. The larger districts tend to have additional administrative work associated with their Chapter 2 programs, given the vast array of activities funded, the larger scope of many of the Chapter 2 activities, and the involvement of large numbers of private schools.

13. What is the decision-making process for use of Chapter 2 funds at the SEA and LEA levels? Who is involved at each level and to what extent do SEA decisions affect LEAs? What is the function of the Chapter 2 state advisory committee?

Chapter 2 decision-making authority at the state level is vested in the hands of only a few individuals at fairly high levels of state education bureaucracies. This fact tends to minimize the decision-making influence of Chapter 2 administrators and state advisory committees (SACs). Moreover, there is usually no relationship between Chapter 2 decision making and program administration at the SEA level. In cases where Chapter 2 is directed by a highly placed coordinator, administrative participation in decision making is greater. Although input from SACs is acknowledged by SEA staff, it appears to be widely understood that most states expect and enforce a strictly advisory role for SACs.

The process employed by local school districts to determine how Chapter 2 funds should be used did not follow any set pattern. Some districts treat decisions about their Chapter 2 programs as completely separate from the customary district decision making

process; other districts fold decisions about Chapter 2 into their regular decision-making process because Chapter 2 is viewed as a funding source to support district priorities.

The survey data indicate that school administrators and the Chapter 2 coordinator have the greatest influence on decisions regarding the use of local Chapter 2 funds, followed by teachers, teachers' unions, and other district staff. Typically, consultation with parents or community representatives is not extensive, and these groups do not exert a great deal of influence over decisions about Chapter 2. In the majority of districts (84 percent), state agency staff were rated as having no or minimal influence over local Chapter 2 decision making.

14. What kinds of activities/projects are going on now compared with those under ECIA? What percentages of Chapter 2 funds are used by SEAs and LEAs for different types of activity?

In 1991-92, LEAs spent the majority of their Chapter 2 funds on instructional materials (40 percent), followed by programs for at-risk/high-cost students (16 percent), programs to enhance school climate and educational programs (14 percent), and professional development (13 percent). Data from the first national study of Chapter 2 implementation indicate that expenditures for instructional materials during the 1984-85 school year were also the most frequently supported area at the local level (59 percent of funds), followed by program development and staff development (9 percent each). There is some indication from our case studies that current expenditures for materials and equipment may be more closely tied to instructional programs than they were under ECIA.

Neither state reform priorities and mandates nor national reform recommendations appear to have had a major influence on expenditure decisions under ECIA. Today, there are stronger linkages between Chapter 2-supported activities and reform efforts at both the state and local levels.

Current SEA expenditures are primarily in the area of innovative programs, which includes effective schools programs (35 percent), followed by program administration (20 percent), professional development (12 percent), and programs to serve at-risk students (11 percent). Only 7 percent of state Chapter 2 funds are allocated to purchase instructional materials and equipment. We do not have comparable data for SEAs under ECIA.

15. What effect did reauthorization in 1988 have on services to private school students compared with services under ECIA, especially regarding the purchase of equipment? Has the participation rate among private school students changed since reauthorization?

In general, we found that changes in participation rates and services to private school students under the Hawkins-Stafford Amendments were minimal compared with changes that occurred when the block grant was initiated. Two reasons may account for this difference: (1) the perceptions of flexibility in the law did not change as they had earlier when the block grant (ECIA) was first passed, and (2) private schools that had chosen to have their students participate in the past saw no reason not to continue to have them participate. Private school student participation rates tend to be a function of long-standing relationships between districts and private schools that have remained cordial over the years. Various aspects of the state context, as well, can set the tone for the involvement of private school students.

Under ECIA, virtually all districts (92 percent) serving private school students used Chapter 2 funds to purchase equipment and materials to support libraries, media centers, and other school departments, and a large majority of districts (68 percent) also purchased equipment and software for computer applications. The types of services currently provided to private school students have not changed significantly despite the creation of the target areas. Where direct comparisons could be made, LEAs reported, on average, that the greatest expenditures to serve private school students in 1991-92 were in the areas of instructional resource support (87 percent of districts) and computer hardware/software applications (45 percent). Perhaps the need remains high for instructional materials because many of these materials are consumable.

16. How can the Chapter 2 program be improved at the federal, state, and local levels?

In answering this question, we first review the input of state coordinators of Chapter 2. We then present policy alternatives based on our review of the entire Chapter 2 program.

Input from the Field. Chapter 2 coordinators responded to several items on the state survey that addressed changes in the Chapter 2 program. Table 7-1 presents an array of potential changes in the Chapter 2 program and coordinators' reactions to each change. State coordinators voiced strong opinions with respect to four potential changes in

Table 7-1

PROPOSED CHANGES IN CHAPTER 2 PROGRAM TO IMPROVE STATE SERVICES

	Percent of SEAs*					Mean Rating†
	Disagree Strongly	Disagree Somewhat	Agree Somewhat	Agree Strongly		
Proposed change to funding/allocation requirements						
Distribute Chapter 2 funds to states on a formula based on the numbers of high-need children in the state	47.1	21.6	19.6	11.8		2.0
Allow states to decide how Chapter 2 funds would be allocated at the local level	19.2	25.0	21.2	34.6		2.7
Eliminate the 20% set-aside for "effective schools programs"	15.4	7.7	7.7	69.2		3.3
Increase the share of Chapter 2 funds reserved for state use	18.4	36.7	24.5	20.4		2.5
Increase the share of Chapter 2 funds that flow through to locals	25.5	35.3	19.6	19.6		2.3
Increase the share of Chapter 2 funds retained at the federal level	76.9	19.2	3.8	0.0		1.3
Proposed change to procedural requirements						
Consolidate Chapter 2 with other state and federal discretionary grant programs to provide greater flexibility in implementing reform	28.8	19.2	26.9	25.0		2.5
Replace Chapter 2 application with a multi-year reform plan	24.5	10.2	42.9	22.4		2.6
Redefine "effective schools programs" to include the full range of school-based reform	1.9	5.8	19.2	73.1		3.6
Revise the "supplement-not-supplant" provision to provide greater flexibility in use of funds	17.3	9.6	19.2	53.8		3.1
Redefine the targeted assistance areas to make them more relevant and useful	5.9	11.8	45.1	37.3		3.1
Eliminate targeted assistance areas	38.5	23.1	21.2	17.3		2.2

* Excludes states that responded "no opinion" or did not respond to the survey item.

† Based on a 4-point scale: 1=disagree strongly, 2=disagree somewhat, 3=agree somewhat, 4=agree strongly. (The midpoint is 2.5.)

Source: Item 2, state survey.

Chapter 2: (1) that the federal share of Chapter 2 funds retained at the federal level should be increased (77 percent strongly **disagreed**, mean value 1.3),¹ (2) that "effective schools programs" should be redefined to include the full range of school-based reform (73 percent strongly agreed, mean value of 3.6), (3) that the 20 percent set-aside for "effective schools programs" should be eliminated (69 percent strongly agreed, mean value of 3.3), and (4) that the "supplement-not-supplant" provision should be revised to provide greater flexibility in use of funds (54 percent strongly agreed, mean value of 3.1).

State coordinators were also asked to identify what changes to the current Chapter 2 regulations would most support their state in implementing educational reform. Their open-ended responses reflected their concerns about the Chapter 2 program as it is currently structured, but they also reflected their strong allegiance to the program and their belief that, if modified, it could be a powerful vehicle for educational reform. Their open-ended comments were coded and counted (see Table 7-2). Most of the comments pertained to the effective schools provision (43 percent). Nearly a quarter of state coordinators recommended redefining effective schools programs to include the full range of school reform. (Note that frequencies for open-ended and similar closed-ended items may not match, because the open-ended questions asked "what would **most support** your state?") Another fifth of coordinators advocated eliminating the effective schools set-aside completely.

Another large cluster of comments centered on focusing Chapter 2 more directly on educational reform (41 percent). Some coordinators (16 percent) made general remarks that the program should allow more reform or be a vehicle for state/local reform. More coordinators (26 percent) made specific comments regarding how Chapter 2 should be focused on reform. This group thought that the target areas should be either replaced by reform activities or aligned with reform and/or the National Goals.

More than a third of coordinators complained about the supplement-not-supplant provision. Eighteen percent thought it should be modified to allow for funding of mandated reform; 14 percent suggested modifying it to allow more flexible funding in general. A smaller group (6 percent) wanted to eliminate it altogether.

¹ Means based on a 4-point scale: 1=disagree strongly, 2=disagree somewhat, 3=agree somewhat, 4=agree strongly. (The midpoint is 2.5.)

Table 7-2

STATE SUGGESTIONS FOR VARIOUS CHANGES IN CHAPTER 2 TO SUPPORT IMPLEMENTING EDUCATIONAL REFORM

Proposed Change	Percent of SEAs*	Combined Percents
Redefine effective schools programs to include the full range of school reform	23.5	
Eliminate the effective schools set aside (i.e., 20% requirement)	19.6	
Total comments pertaining to effective schools programs		43.1†
Focus Chapter 2 on educational reform	15.7	
Replace or align target areas with reform or National Goals	25.5	
Total comments pertaining to focusing Chapter 2 on reform		41.2†
Modify supplement-not-supplant to allow for funding of mandated reform	17.7	
Modify supplement-not-supplant to allow for flexible funding	13.7	
Eliminate supplement-not-supplant	5.9	
Total comments pertaining to modifying supplement-not-supplant		37.3†
Give SEAs more funds, control, flexibility	25.5	
Align target areas with areas that are relevant to states/locals	21.6	
Allow more flexibility in the program generally	13.7	

† Does not represent a duplicated count.

* 51 SEAs wrote responses to this open-ended item.

Source: Item 3, state survey.

In addition to these recommendations, more than a quarter of coordinators felt that more power and funding should go to the SEAs. A related theme was that the target areas should be aligned with state and local issues (22 percent). A smaller contingent (14 percent) argued for more flexibility in the program generally.

In another item, state coordinators were asked for their recommendations for redefining the target areas (37 percent agreed strongly on the closed-ended item that this would be a good idea). Twenty-seven coordinators contributed a new set of target areas (13 others suggested eliminating the target areas and replacing them with an emphasis on reform). The lists of target areas have a number of common elements: 48 percent included one or more target areas for reform, restructuring, systemic change; 30 percent included a target area for technology; 15 percent included a target area for parent programs; and 15 percent included a target area for alternative assessment. All 27 lists are included in Appendix G.

Aggregating this input from the field, it would appear that states support the following changes in Chapter 2:

- Redefining “effective schools programs” to include the full range of reform.
- Eliminating the 20 percent set-aside for “effective schools programs.”
- Revising the supplement-not-supplant provision to allow funding of mandated reform.
- Focusing the Chapter 2 program on reform, which may mean eliminating the target areas and replacing them with a reform agenda, or aligning the target areas more closely with reform.

Our study data support each of these recommendations. We found that many states and districts have moved beyond “effective schools programs” to more systemic reform initiatives. This dated terminology sends a mixed message, which, in the worst cases, keeps states/districts from using Chapter 2 for more innovative reform. In the best cases, it necessitates recasting innovative reform that is being supported by Chapter 2 in ways that make it “sound like” effective schools programs, just for the purpose of complying with the law. Similarly, the 20 percent set-aside for effective schools is counterproductive, unless it is revised to encompass the full range of reform. Revising supplement-not-supplant is also in order. As our data indicate, some states and locals use Chapter 2 to fund state or locally mandated reform, and others do not. We noted

widespread confusion regarding how this provision applies to mandated reform. It is our opinion that any provision that limits use of federal funds for school reform should be revised. Finally, we agree wholeheartedly with the coordinators that the program should be focused more directly on reform.

Other Policy Alternatives. Considering the full range of our Chapter 2 study data and ED's current focus on coordinating federal programs to move the nation toward the National Goals, we recommend that ED consider the following alternatives as strategies to bring Chapter 2 into the mainstream of the reform effort:

- (1) Eliminate the targeted assistance areas. They are too broad to be meaningful; they overlap; they are misleading in the reporting of data because they mean different things to different people; they send mixed messages regarding the funding of materials; and they create, rather than reduce, administrative burden.
- (2) Focus both state and local Chapter 2 funds on educational reform initiatives and/or educational priorities.
- (3) Eliminate materials and equipment as allowable expenditures unless they can be directly related to an educational reform initiative or a state's or district's educational priority. By "directly related," we mean that they must be shown to be essential to the operation of a specific instructional program.
- (4) Require that locals concentrate Chapter 2 funds on one specific activity or program relating to reform or an educational priority in order to:
 - Maximize the chance that the funds will make a difference.
 - Facilitate evaluation.
 - Encourage thoughtful decisions about the best use of Chapter 2.
- (5) Encourage minigrants (i.e., use of Chapter 2 funds as grants to schools and/or teachers) because they promote site-based decision-making; they provide teachers with the opportunity to try new roles and work with resources; they encourage evaluation; and they discourage rote funding of the same activities from year to year.
- (6) Require that all Chapter 2-funded activities be evaluated in a manner appropriate to the activity. We suggest different evaluation models for different types of Chapter 2 activities. New programs and pilot programs should be evaluated using criteria that take into account what has been learned from them, not necessarily their outcomes; existing programs should be evaluated for effectiveness against specified goals; and long-term continued programs should show rigorous evidence of success and a clear rationale for continued funding with Chapter 2.

- (7) Maintain the supplement-not-supplant requirement because we learned that this single Chapter 2 provision does more to protect Chapter 2 funds from general use and thus maintain the unique character of Chapter 2 than any other program provision. However, the requirement should be revised and clarified to allow funding of mandated school improvement and reform.

In conclusion, we believe, as do state coordinators and local case study participants, that Chapter 2 can be a powerful vehicle for educational reform if certain aspects of the program are changed. As the program stands now, it does support reform to a limited extent, but it does not play a leadership role. Focusing the program on reform will energize those in states and districts that administer Chapter 2 programs, and it will add a considerable source of resources to move the nation in this direction. Further, the unique features of Chapter 2—its flexibility, its “hands-off” provision, and its reputation for innovation—make it well suited to take its place among the set of federal strategies leading the nation toward educational reform.

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Appendix A

CHAPTER 2 PUBLIC LAW AND FEDERAL REGULATIONS

PUBLIC LAW 100-297—APR. 28, 1988

AUGUSTUS F. HAWKINS-ROBERT T.
STAFFORD ELEMENTARY AND
SECONDARY SCHOOL IMPROVEMENT
AMENDMENTS OF 1988

**"CHAPTER 2—FEDERAL, STATE, AND LOCAL PARTNERSHIP
FOR EDUCATIONAL IMPROVEMENT**

***SEC. 1501. FINDINGS AND STATEMENT OF PURPOSE.**

20 USC 2911.

"(a) FINDINGS.—The Congress finds that—

"(1) chapter 2 of the Education Consolidation and Improvement Act of 1981 has been successful in achieving the goals of increasing local flexibility, reducing administrative burden, providing services for private school students, encouraging innovation, and contributing to the improvement of elementary and secondary educational programs;

"(2) State and local governments have placed a new focus on education;

"(3) school effectiveness can be increased through effective schools programs to improve student achievement, student behavior, teaching, learning, and school management; and

"(4) teachers make a significant and positive contribution to the education of our Nation's students, and local educational agencies are encouraged to recognize this contribution.

"(b) STATEMENT OF PURPOSE.—It is the purpose of programs under this chapter—

"(1) to provide the initial funding to enable State and local educational agencies to implement promising educational programs that can be supported by State and local sources of funding after such programs are demonstrated to be effective;

"(2) to provide a continuing source of innovation, educational improvement, and support for library and instructional materials;

"(3) to meet the special educational needs of at risk and high cost students, as described in section 1531(b);

"(4) to enhance the quality of teaching and learning through initiating and expanding effective schools programs; and

"(5) to allow State and local educational agencies to meet their educational needs and priorities for targeted assistance described in section 1531.

"(c) STATE AND LOCAL RESPONSIBILITY.—The basic responsibility for the administration of funds made available under this chapter is in the State educational agencies, but it is the intent of Congress that this responsibility be carried out with a minimum of paperwork and that the responsibility for the design and implementation of programs assisted under this chapter will be mainly that of local educational agencies, school superintendents and principals, and

classroom teachers and supporting personnel, because they have the most direct contact with students and are most directly responsible to parents and because they are the most likely to be able to design programs to meet the educational needs of students in their own districts.

20 USC 2912.

"SEC. 1502. AUTHORIZATION OF APPROPRIATIONS; DURATION OF ASSISTANCE.

"(a) AUTHORIZATION.—There are authorized to be appropriated \$580,000,000 for the fiscal year 1989, \$610,000,000 for the fiscal year 1990, \$640,000,000 for the fiscal year 1991, \$672,000,000 for the fiscal year 1992, and \$706,000,000 for the fiscal year 1993, to carry out the provisions of this chapter.

"(b) DURATION OF ASSISTANCE.—During the period beginning October 1, 1988, and ending September 30, 1993, the Secretary shall, in accordance with the provisions of this chapter, make payments to State educational agencies for the purpose of this chapter.

"PART A—STATE AND LOCAL PROGRAMS

"Subpart 1—General Provisions

20 USC 2921.

Territories, U.S.

"SEC. 1511. ALLOTMENT TO STATES.

"(a) RESERVATIONS.—(1) From the sums appropriated to carry out this chapter in any fiscal year, the Secretary shall reserve not to exceed 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs.

"(2) The Secretary shall reserve an additional amount, not to exceed 6 percent of the sums appropriated in each fiscal year, to carry out the provisions of part B.

"(b) ALLOTMENT.—From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than an amount equal to one-half of 1 percent of such remainder.

"(c) DEFINITIONS.—For purposes of this section—

"(1) The term 'school-age population' means the population aged 5 through 17.

"(2) The term 'States' includes the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

20 USC 2922.

Disadvantaged
Persons.

"SEC. 1512. ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

"(a) DISTRIBUTION RULE.—From the sum made available each year under section 1511, the State educational agency shall distribute not less than 80 percent to local educational agencies within such State according to the relative enrollments in public and private, nonprofit schools within the school districts of such agencies, adjusted, in accordance with criteria approved by the Secretary, to provide higher per pupil allocations to local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as—

"(1) children living in areas with high concentrations of low-income families,

"(2) children from low-income families, and

"(3) children living in sparsely populated areas.

"(b) CALCULATION OF ENROLLMENTS.—(1) The calculation of relative enrollments under subsection (a) shall be on the basis of the total of—

"(A) the number of children enrolled in public schools, and

"(B) the number of children enrolled in private nonprofit schools that desire that their children participate in programs or projects assisted under this chapter.

for the fiscal year preceding the fiscal year in which the determination is made. Nothing in this subsection shall diminish the responsibility of local educational agencies to contact, on an annual basis, appropriate officials from private nonprofit schools within the areas served by such agencies in order to determine whether such schools desire that their children participate in programs assisted under this chapter.

"(2)(A) Relative enrollments under subsection (a) shall be adjusted, in accordance with criteria approved by the Secretary under subparagraph (B), to provide higher per pupil allocations only to local educational agencies which serve the greatest numbers or percentages of—

"(i) children living in areas with high concentrations of low-income families,

"(ii) children from low-income families, or

"(iii) children living in sparsely populated areas.

"(B) The Secretary shall review criteria submitted by a State educational agency for adjusting allocations under paragraph (1) and shall approve such criteria only if the Secretary determines that such criteria are reasonably calculated to produce an adjusted allocation that reflects the relative needs within the State's local educational agencies based on the factors set forth in subparagraph (A).

"(c) PAYMENT OF ALLOCATIONS.—

"(1) From the funds paid to it pursuant to section 1511 for a fiscal year, a State educational agency shall distribute to each eligible local educational agency which has submitted an application as required in section 1503 the amount of its allocation as determined under subsection (a).

"(2)(A) Additional funds resulting from higher per pupil allocations provided to a local educational agency on the basis of adjusted enrollments of children described in subsection (a), may, at the discretion of the local educational agency, be allocated for expenditures to provide services for children enrolled in public and private nonprofit schools in direct proportion to the number of children described in subsection (a) and enrolled in such schools within the local educational agency.

"(B) In any fiscal year, any local educational agency that elects to allocate such additional funds in the manner described in subparagraph (A) shall allocate all additional funds to schools within the local educational agency in such manner.

"(C) The provisions of subparagraphs (A) and (B) may not be construed to require any school to limit the use of such additional funds to the provision of services to specific students or categories of students.

Disadvantaged
Persons.

20 USC 2931.

"SEC. 1521. STATE USES OF FUNDS.

"(a) AUTHORIZED ACTIVITIES.—A State educational agency may use funds reserved for State use under this chapter only for—

"(1) State administration of programs under this chapter including—
 "(A) supervision of the allocation of funds to local educational agencies;

"(B) planning, supervision, and processing of State funds;
 "(C) monitoring and evaluation of programs and activities under this part; and

"(D) operations of the State advisory committee;
 "(2) technical assistance and direct grants to local educational agencies and statewide activities which assist local educational agencies to provide targeted assistance as provided in section 1531; and

"(3) assistance to local educational agencies and statewide activities to carry out effective schools programs under subpart 4.

"(b) LIMITATIONS AND REQUIREMENTS.—

"(1) Not more than 25 percent of funds available for State programs under this part in any fiscal year may be used for State administration under subsection (a)(1).

"(2)(A) At least 20 percent of funds available for State programs under this part in any fiscal year shall be used for effective schools programs under subsection (a)(3).

"(B) If a State is spending from non-Federal sources an amount equal to twice as much as the State is required to use for the purposes of subsection (a)(3), the Secretary may waive the requirement of subparagraph (A). In deciding whether or not to grant such a waiver, the Secretary shall use the definition of effective schools contained in section 1471(18).

20 USC 2932.

Grants.

"SEC. 1522. STATE APPLICATIONS.

"(a) APPLICATION REQUIREMENTS.—Any State which desires to receive grants under this chapter shall submit to the Secretary an application which—

"(1) designates the State educational agency as the State agency responsible for the administration and supervision of programs assisted under this chapter;

"(2) provides for a process of active and continuing consultation with the State educational agency of an advisory committee, appointed by the Governor and determined by the Governor to be broadly representative of the educational interests and the general public in the State, including individuals representative of—

"(A) public and private elementary and secondary school children;

"(B) classroom teachers;

"(C) parents of elementary and secondary school children;

"(D) local boards of education;

"(E) local and regional school administrators (including principals, superintendents, and administrators of intermediate educational units);

"(F) institutions of higher education;

"(G) the State legislature;

"(H) elementary and secondary school librarians; and
 "(I) school counselors and other pupil services personnel, to advise the State educational agency on the allocation among targeted programs in accordance with section 1531 (not to exceed 20 percent of the amount of the State's allotment) reserved for State use under section 1512(a), on the formula for the allocation of funds to local educational agencies, and on the planning, development, support, implementation, and evaluation of State programs assisted under this chapter;

"(3)(A) sets forth planned allocation of funds reserved for State use under section 1512(a) among the targeted assistance programs described in section 1531 and describes programs, projects, and activities which are designed to carry out such targeted assistance, together with the reasons for the selection of such programs, projects, and activities; and

"(B) sets forth the allocation of such funds required to implement section 1572;

"(4) describes how funds reserved under section 1521(b)(2) will be used to carry out subpart 4;

"(5) provides for timely public notice and public dissemination of the information provided pursuant to paragraphs (2) and (3);

"(6)(A) provides for an annual submission of data on the use of funds, the types of services furnished, and the students served under this chapter;

"(B) in fiscal year 1992, provides for an evaluation of the effectiveness of programs assisted under this chapter, which shall include comments of the advisory committee, and shall be made available to the public;

"(7) provides that the State educational agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this chapter);

"(8) provides assurance that, apart from technical and advisory assistance and monitoring compliance with this chapter, the State educational agency has not exercised and will not exercise any influence in the decisionmaking processes of local educational agencies as to the expenditures made pursuant to an application under section 1531;

"(9) provides the following information: (A) how the State will adjust its formula to comply with section 1512(b)(2), (B) how children under section 1512(b)(2)(A) are defined, (C) the basis on which a determination of the local educational agencies under section 1512(b)(2)(A) is made, and (D) the percentage of the State grant which is proposed to be allotted on an adjusted basis under section 1512; and

"(10) contains assurances that there is compliance with the specific requirements of this chapter.

"(b) PERIOD OF APPLICATION.—An application filed by the State under subsection (a) shall be for a period not to exceed 3 years, and may be amended annually as may be necessary to reflect changes without filing a new application.

"(c) APPLICABLE RULE.—Notwithstanding section 1745 of the Omnibus Budget Reconciliation Act of 1981, local educational agencies receiving less than an average \$5,000 each year under this chapter need not be audited more frequently than once every 5 years.

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"Subpart 3—Local Targeted Assistance Programs

20 USC 2941.

"SEC. 1531. TARGETED USE OF FUNDS.

"(a) **GENERAL RULE.**—Funds allocated for use under this chapter shall be used by State and local educational agencies for targeted assistance described in subsection (b).

"(b) **TARGETED ASSISTANCE.**—The targeted assistance programs referred to in subsection (a) are—

"(1) programs to meet the educational needs of students at risk of failure in school and of dropping out and students for whom providing an education entails higher than average costs;

"(2) programs for the acquisition and use of instructional and educational materials, including library books, reference materials, computer software and hardware for instructional use, and other curricular materials that would be used to improve the quality of instruction;

"(3) innovative programs designed to carry out schoolwide improvements, including the effective schools program;

"(4) programs of training and professional development to enhance the knowledge and skills of educational personnel, including teachers, librarians, school counselors and other pupil services personnel, and administrators and school board members;

"(5) programs designed to enhance personal excellence of students and student achievement, including instruction in ethics, performing and creative arts, humanities, activities in physical fitness and comprehensive health education, and participation in community service projects; and

"(6) other innovative projects which would enhance the educational program and climate of the school, including programs for gifted and talented students, technology education programs, early childhood education programs, community education and programs for youth suicide prevention.

20 USC 2942.

"SEC. 1532. AUTHORIZED ACTIVITIES.

"(a) **IN GENERAL.**—Activities authorized under this subpart may include the planning, development, or operation and expansion of programs, projects, and activities which are designed to carry out the targeted assistance described in section 1531. Such activities may include—

"(1) training of educational personnel in any of the targeted assistance programs described;

"(2) guidance and counseling services; and

"(3) any other education or related activities which the State or local educational agency determines will contribute to improving the programs described in section 1531.

"(b) **ADMINISTRATIVE AUTHORITY.**—In order to conduct the activities authorized by this part, each State or local educational agency may use funds reserved for this part to make grants to and to enter into contracts with local educational agencies, institutions of higher education, libraries, museums, and other public and private nonprofit agencies, organizations, and institutions.

20 USC 2943.

"SEC. 1533. LOCAL APPLICATIONS.

"(a) **CONTENTS OF APPLICATION.**—A local educational agency or consortia of local educational agencies may receive an allocation of funds under this chapter for any year for which an application is

submitted to the State educational agency and such application is certified to meet the requirements of this section. The State educational agency shall certify any such application if such application—

"(1)(A) sets forth the planned allocation of funds among targeted assistance programs described in section 1531 of this chapter and describes the programs, projects, and activities designed to carry out such targeted assistance which it intends to support, together with the reasons for the selection of such programs, projects, and activities; and

"(B) sets forth the allocation of such funds required to implement section 1572;

"(2) describes how assistance under this chapter will contribute to the goals of the program of improving student achievement or improving the quality of education for students;

"(3) provides assurances of compliance with provisions of this chapter including the participation of children enrolled in private, nonprofit schools in accordance with section 1572;

"(4) agrees to keep such records, and provide such information to the State educational agency as reasonably may be required for fiscal audit and program evaluation, consistent with the responsibilities of the State agency under this chapter; and

"(5) provides, in the allocation of funds for the assistance authorized by this chapter, and in the design, planning, and implementation of such programs, for systematic consultation with parents of children attending elementary and secondary schools in the area served by the local agency, with teachers and administrative personnel in such schools, and with other groups involved in the implementation of this chapter (such as librarians, school counselors, and other pupil services personnel) as may be considered appropriate by the local educational agency.

"(b) **PERIOD OF APPLICATION.**—An application filed by a local educational agency under subsection (a) shall be for a period not to exceed 3 fiscal years, may provide for the allocation of funds among programs and purposes authorized by this chapter for a period of 3 years, and may be amended annually as may be necessary to reflect changes without filing a new application.

"(c) **LOCAL EDUCATIONAL AGENCY DISCRETION.**—Subject to the limitations and requirements of this chapter, a local educational agency shall have complete discretion in determining how funds under this subpart shall be divided among the areas of targeted assistance of this subpart. In exercising such discretion, a local educational agency shall ensure that expenditures under this subpart carry out the purposes of this chapter and are intended to meet the educational needs within the schools of that local educational agency.

"Subpart 4—Effective Schools Programs

"SEC. 1531. ESTABLISHMENT.

"Funds shall be available under this chapter in accordance with sections 1521 and 1531 to—

"(1) plan, implement, support, evaluate, revise, and strengthen effective schools programs;

20 USC 2951.

- "(2) plan and conduct training and other professional development activities for teachers, administrators and other education personnel on the implementation of effective schools programs;
- "(3) provide technical assistance and promote State and local educational agency awareness of effective schools research, model programs, and implementation;
- "(4) develop and implement systems to evaluate and analyze effective schools programs;
- "(5) improve parent and community involvement and participation as part of an ongoing effective schools program;
- "(6) support model and demonstration programs related to effective schools programs; and
- "(7) develop and disseminate educational materials related to effective schools programs.

20 USC 2952.

"SEC. 1542. EFFECTIVE SCHOOLS.

"For the purposes of this chapter the term 'effective schools programs' means school-based programs that may encompass pre-school through secondary school levels and that have the objectives of (1) promoting school-level planning, instructional improvement, and staff development, (2) increasing the academic achievement levels of all children and particularly educationally deprived children, and (3) achieving as ongoing conditions in the school the following factors identified through effective schools research as distinguishing effective from ineffective schools:

- "(A) strong and effective administrative and instructional leadership that creates consensus on instructional goals and organizational capacity for instructional problem solving;
- "(B) emphasis on the acquisition of basic and higher order skills;
- "(C) a safe and orderly school environment that allows teachers and pupils to focus their energies on academic achievement;
- "(D) a climate of expectation that virtually all children can learn under appropriate conditions; and
- "(E) continuous assessment of students and programs to evaluate the effects of instruction.

Federal Register

Wednesday
April 18, 1990

Part V

Department of Education

Office of Elementary and Secondary
Education

34 CFR Parts 76, 77, and 298
**Federal, State, and Local Partnership for
Educational Improvement; Final Rule**

DEPARTMENT OF EDUCATION

Office of Elementary and Secondary Education

34 CFR Parts 76, 77, and 298

RIN 1810-AA49

Federal, State, and Local Partnership for Educational Improvement

AGENCY: Office of Elementary and Secondary Education, Department of Education.

ACTION: Final regulations.

SUMMARY: The Secretary issues final regulations in part 298 implementing the program entitled "Federal, State, and Local Partnership for Educational Improvement" in chapter 2 of title I of the Elementary and Secondary Education Act of 1985, as amended. This program replaces chapter 2 of the Education Consolidation and Improvement Act of 1981. The Secretary also makes certain provisions of the Education Department General Administrative Regulations (EDGAR) applicable to these regulations. Accordingly, the Secretary makes conforming changes to several sections in parts 76 and 77.

EFFECTIVE DATE: These regulations take effect either 45 days after publication in the Federal Register or later if the Congress takes certain adjournments. If you want to know the effective date of these regulations, call or write the Department of Education contact person. A document announcing the effective date will be published in the Federal Register.

FOR FURTHER INFORMATION CONTACT: Genevieve W. Cornelius, Director, Division of Formula Grants, School Improvement Programs, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Avenue, SW., (room 2040), Washington, DC 20202-4636, (202) 732-4084.

SUPPLEMENTARY INFORMATION: On April 28, 1988, the President signed into law the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, Public Law 100-297. Title I of that act amends the Elementary and Secondary Education Act of 1985 (ESEA) to include a number of new and reauthorized Federal education programs. Chapter 2 of title I of the ESEA, entitled "Federal, State, and Local Partnership for Educational Improvement," reauthorizes chapter 2 of the Education Consolidation and Improvement Act of 1981 (ECIA).

Chapter 2 of the ECIA consolidated over forty Federal education programs into a single authorization of grants to States for the same purposes as the antecedent programs but to be used in accordance with the educational needs and priorities of State and local educational agencies as determined by those agencies. State educational agencies (SEAs) had the basic responsibility for the administration of chapter 2 funds. Responsibility for the design and implementation of chapter 2 programs, however, rested mainly with local educational agencies (LEAs), school superintendents and principals, and classroom teachers and supporting personnel.

In reauthorizing chapter 2, Congress recognized that the program had been "successful in achieving the goals of increasing local flexibility, reducing administrative burden, providing services for private school students, encouraging innovation, and contributing to the improvement of elementary and secondary education programs." 20 U.S.C. 2911(a). As a result, Congress retained the basic framework of chapter 2, which places decisionmaking at the State and local levels. At the same time, however, Congress responded to criticism that chapter 2 was unfocused, provided insufficient accountability, and sometimes resulted in funds being used for general education purposes. Accordingly, Congress sought to make chapter 2 "a better vehicle for school improvement by recasting the uses of funds in general terms, but with an identifiable theme of improving quality and promoting innovation." H.R. Rept. 95, 100th Cong., 1st Sess. 50 (1987). Specifically, Congress identified six broad purposes for which chapter 2 funds must now be targeted: Programs for at-risk students; programs to acquire and use instructional materials to improve the quality of instruction; innovative programs for schoolwide improvements, including effective school programs; programs of training and professional development; programs to enhance personal excellence of students and student achievement; and other innovative projects to enhance the educational program and climate of the school. Within those parameters, however, State and local educational agencies retain the flexibility to decide how to use their chapter 2 funds.

On March 1, 1989, the Secretary published a notice of proposed rulemaking (NPRM) for this program in the Federal Register (54 FR 8708). The preamble also included a summary of the significant changes resulting from reauthorization. In the NPRM, the Secretary also proposed assisting States

in improving financial accountability and consistency by making certain provisions of EDGAR applicable.

Analysis of Comments and Changes

In response to the Secretary's invitation in the NPRM, sixty-five parties submitted comments on the proposed regulations. An analysis of the NPRM is published as an appendix to these final regulations. Substantive issues are discussed under the section of the regulations to which they pertain. Technical and other minor changes are not addressed.

Section 298.2(a)(1)(vi) of these final regulations makes applicable 34 CFR part 85—Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants). A fuller discussion of how part 85 applies to the chapter 2 program is included in the appendix.

After extensive review of State comments, in the final rule the Secretary modified the applicability of EDGAR in ways that fully meet the substantive concerns of some States, while balancing the need for all States to have appropriate systems of financial accountability.

Executive Order 12291

These final regulations have been reviewed in accordance with Executive Order 12291. They are not classified as major because they do not meet the criteria for major regulations established in the order.

Executive Order 12606

The Secretary certifies that these final regulations have been reviewed in accordance with Executive Order 12606 and that they do not have a significant negative impact on family formation, maintenance, and general well-being. To the contrary, the program governed by these regulations supports and strengthens the family by providing for systematic consultation with the parents of children attending elementary and secondary schools in the design, planning, and implementation of the program. Moreover, funds under this program may be used to foster parental involvement through such activities as conducting parent workshops, training parents to work with their children at home, and facilitating parent participation in school activities.

List of Subjects in 34 CFR Parts 76, 77, and 298

Administrative practice and procedure, Education, Elementary and secondary education, Grant programs—

education, Private schools, Reporting and recordkeeping requirements, State-administered programs.

(Catalog of Federal Domestic Assistance Number 84.151, Federal, State, and Local Partnership for Educational Improvement)

Dated: April 11, 1990.

Lauro F. Cavazos,

Secretary of Education.

The Secretary amends parts 76 and 77 and revises part 298 of title 34 of the Code of Federal Regulations as follows:

1. Part 298 is revised to read as follows:

PART 298—FEDERAL, STATE, AND LOCAL PARTNERSHIP FOR EDUCATIONAL IMPROVEMENT

Subpart A—How a State or Local Educational Agency Obtains Funds

Sec.

- 298.1 Purpose.
- 298.2 Applicable regulations.
- 298.3 Definitions.
- 298.4 State advisory committee.
- 298.5 State applications.
- 298.6 LEA applications.
- 298.7 Allocation of Chapter 2 funds to LEA.
- 298.8 Reallocation.
- 298.9-298.10 [Reserved]

Subpart B—Project Requirements That a State or Local Educational Agency Must Meet

- 298.11 General responsibilities of State and local educational agencies.
- 298.12 Targeted assistance programs.
- 298.13 Use of funds by SEAs.
- 298.14 Use of funds by LEAs.
- 298.15 Evaluations and reports.
- 298.16-298.20 [Reserved]

Subpart C—Fiscal Requirements That a State or Local Educational Agency Must Meet

- 298.21 Maintenance of effort.
- 298.22 Waiver of the maintenance of effort requirement.
- 298.23 Supplement-not-supplant.
- 298.24-298.30 [Reserved]

Subpart D—How Children Enrolled in Private Schools Participate

- 298.31 Responsibility of SEAs and LEAs.
- 298.32 Consultation with private school officials.
- 298.33 Needs, number of children, and types of services.
- 298.34 Factors used in determining equitable participation.
- 298.35 Funds not to benefit a private school.
- 298.36 Equipment and supplies.
- 298.37 Construction.
- 298.38 Bypass.
- 298.39-298.40 [Reserved]

Authority: 20 U.S.C. 2911-2952, 2971-2976, unless otherwise noted.

Subpart A—How a State or Local Educational Agency Obtains Funds

§ 298.1 Purpose.

Under the Federal, State, and Local Partnership for Educational Improvement program (referred to in this part as the chapter 2 program), the Secretary provides Federal financial assistance to State and local educational agencies to—

(a) Provide the initial funding to implement promising educational programs that can be supported with State and local funds after those programs have been demonstrated to be effective;

(b) Provide a continuing source of innovation, educational improvement, and support for library and instructional materials;

(c) Meet the special educational needs of at-risk and high-cost students;

(d) Enhance the quality of teaching and learning through initiating and expanding effective schools programs; and

(e) Meet their educational needs and priorities for targeted assistance.

(Authority: 20 U.S.C. 2911(b))

§ 298.2 Applicable regulations.

(a) The following regulations apply to the chapter 2 program:

(1) The Education Department General Administrative Regulations (EDGAR) as follows:

(i) 34 CFR part 76 (State-Administered Programs) as follows:

(A) Subpart A (General), except for § 76.3 (ED general grant regulations apply to these programs).

(B) Sections 76.125-76.137 (Consolidated Grant Applications for Insular Areas).

(C) Section 76.401 (Disapproval of an application—opportunity for a hearing).

(D) Subpart F (What Conditions Must Be Met by the State and Its Subgrantees?) as follows:

(1) Section 76.500 (Federal statutes and regulations on nondiscrimination).

(2) Section 76.532 (Use of funds for religion prohibited).

(3) Section 76.533 (Acquisition of real property; construction).

(4) Section 76.534 (Use of tuition and fees restricted).

(5) Section 76.563 (Restricted indirect cost rate—programs covered).

(6) Section 76.562 (Federal evaluation—satisfying requirement for State or subgrantee evaluation).

(7) 34 CFR 75.601-75.602, 75.609-75.611, 75.613, and 75.616 concerning construction authorized under § 298.37(b), incorporated by reference in § 76.600.

(8) Sections 76.670-76.677 (Procedures for Bypass).

(9) Section 76.632 (Treatment of animals).

(E) Subpart G (What Are the Administrative Responsibilities of the State and Its Subgrantees?) as follows:

(1) Section 76.703 (When a State may begin to obligate funds).

(2) Section 76.704 (When certain subgrantees may begin to obligate funds).

(3) Section 76.705 (Funds may be obligated during a "carryover period").

(4) Section 76.706 (Obligations made during a carryover period are subject to current statutes, regulations, and applications).

(5) Section 76.707 (When obligations are made).

(6) Section 76.730 (Records related to grant funds).

(7) Section 76.734 (Record retention period).

(8) Section 76.740 (Protection of and accessibility to student records).

(9) Section 76.760 (More than one program may assist a single activity).

(10) Section 76.783 (State educational agency action—subgrantee's opportunity for a hearing).

(F) Section 76.901 (Education Appeal Board).

(ii) 34 CFR part 77 (Definitions that Apply to Department Regulations).

(iii) 34 CFR part 78 (Education Appeal Board).

(iv) 34 CFR part 81 (General Education Provisions Act—Enforcement).

(v) 34 CFR part 82 (New Restrictions on Lobbying).

(vi) 34 CFR part 85 (Governmentwide Debarment and Suspension (Non-procurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)).

(2) The regulations in this part 298.

(b)(1) A State shall have fiscal and administrative requirements for expending and accounting for all funds received by SEAs and LEAs under this part. These requirements must be available for Federal inspection and must—

(i) Be sufficiently specific to ensure that funds received under this part are used in compliance with all applicable statutory and regulatory provisions;

(ii) Ensure that funds received under this part are only spent for reasonable and necessary costs of operating programs under this part; and

(iii) Ensure that funds received under this part are not used for general expenses required to carry out other responsibilities of State and local governments.

(2) A State may satisfy this requirement by—

(i) Using fiscal and administrative requirements applicable to the use of its own funds;

(ii) Adopting new fiscal and administrative requirements; or

(iii) Applying the provisions in 34 CFR part 80 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments) and in 34 CFR 75.603–75.606, 75.612, 75.614, and 75.615 (concerning construction authorized under § 298.37(b)).

(Authority: 20 U.S.C. 2911–2952, 2971–2976)

§ 298.3 Definitions.

(a) *Definition in the Elementary and Secondary Education Act of 1965.* The following terms used in this part are defined in section 1471 of the Act:

Construction
Elementary school
Equipment
Free public education
Local educational agency (LEA)
Parent
Pupil services
Pupil services personnel
School facilities
Secondary School
Secretary
State
State educational agency (SEA)

(b) *Definitions in EDGAR.* The following terms used in this part are defined in 34 CFR 77.1:

Application
EDGAR
Fiscal year
Grant
Minor remodeling
Nonprofit
Private
Public

(c) *Other definitions.* The following definitions also apply to this part:

Act means the Elementary and Secondary Education Act of 1965, as amended (ESEA).

Chapter 2 means chapter 2 of title I of the Act.

(Authority: 20 U.S.C. 2891, 2911–2952, 2971–2976)

§ 298.4 State advisory committee.

(a) Any State that desires to receive a grant under this part shall establish an advisory committee that meets the requirements in section 1522(a)(2) of the Act.

(b) An existing organization may be the advisory committee for the purpose of paragraph (a) of this section if the organization—

- (1) Is not the SEA under State law;
- (2) Is appointed by the Governor to be the advisory committee; and

(3) Meets the representation requirements of section 1522(a)(2) of the Act.

(c) The State advisory committee advises the SEA on—

(1) The allocation among targeted programs under § 298.12 of funds reserved for State use under section 1512(a) of the Act;

(2) The formula for the allocation of funds to LEAs; and

(3) The planning, development, support, implementation, and evaluation of State programs assisted under this part.

(Authority: 20 U.S.C. 2932(a) (2))

§ 298.5 State applications.

(a)(1) Any State that desires to receive a grant under this part shall submit an application to the Secretary that meets the requirements in section 1522 of the Act.

(2) The application may be submitted in any form that the State determines is appropriate.

(b)(1) A State shall file its chapter 2 application for a period not to exceed three years.

(2) If a State that submits an application covering more than one year makes any substantial changes in its application, the State shall—

- (i) File a new application; or
- (ii) Annually amend its current application to reflect those changes.

(Approved by the Office of Management and Budget under control number 1810–0053)

(Authority: 20 U.S.C. 2932)

§ 298.6 LEA applications.

(a) An LEA may receive its allocation of funds under this part for any year for which—

(1) The LEA has an application on file with the SEA; and

(2) The SEA has certified that the application meets the requirements in section 1533(a) of the Act.

(b)(1) An LEA shall file its application for a period not to exceed three years.

(2) If an LEA that submits an application covering more than one year makes any substantial changes in its application, the LEA shall—

- (i) File a new application; or
- (ii) Annually amend its current application to reflect those changes.

(c) In addition to the other requirements in section 1533(a) of the Act, an LEA's application must provide for systematic consultation, in the allocation of funds for programs authorized by chapter 2 and in the design, planning, and implementation of those programs, with—

- (1) Parents of children attending public and private elementary and

secondary schools in the area served by the LEA;

(2) Teachers and administrative personnel in those schools; and

(3) Other groups involved in the implementation of chapter 2 (such as librarians, school counselors, school social workers, school psychologists, and other pupil services personnel) as the LEA deems appropriate.

(d) An LEA may apply for chapter 2 funds by itself or with a consortium of LEAs.

(Approved by the Office of Management and Budget under control number 1810–0053)

(Authority: 20 U.S.C. 2943)

§ 298.7 Allocation of chapter 2 funds to LEAs.

(a) An SEA shall distribute to each LEA that has submitted an application as required in § 298.6 the amount of its allocation as determined under paragraph (b) of this section.

(b)(1) From the funds made available to an SEA each year under this part, the SEA shall distribute not less than 80 percent to LEAs within the State according to the relative enrollments in public and private, nonprofit schools within the school districts of those agencies.

(2) The SEA shall—

(i) Calculate relative enrollments within each LEA on the basis of the total number of children enrolled for the fiscal year preceding the fiscal year in which the determination is made in—

(A) Public schools in the LEA; and

(B) Private, nonprofit schools in the LEA that desire that their children participate in chapter 2 programs; and

(ii) Adjust those relative enrollments, in accordance with criteria approved by the Secretary under paragraph (d) of this section, to provide higher per pupil allocations only to LEAs that serve the greatest numbers or percentages of—

(A) Children living in areas with high concentrations of low-income families;

(B) Children from low-income families; or

(C) Children living in sparsely populated areas.

(c) The State shall include in its application under § 298.5 the following information concerning adjustments under paragraph (b)(2)(ii) of this section:

(1) How the State adjusted its formula.

(2) How the children under paragraph (b)(2)(ii) of this section are defined.

(3) The basis on which the State determined which LEAs serve the greatest numbers or percentages of the children described in paragraph (b)(2)(ii) of this section.

(4) The percentage of the funds for LEAs that the State proposes to allot on an adjusted basis.

(d) The Secretary reviews and approves the State's criteria for adjusting allocations to LEAs if the criteria are reasonably calculated to produce an adjusted allocation that reflects the relative needs within the State's LEAs based on the factors contained in paragraph (b)(2)(ii) of this section.

(Approved by the Office of Management and Budget under control number 1810-0053)
(Authority: 20 U.S.C. 2922)

§ 298.9 Reallocation.

(a) An SEA reallocate to other LEAs chapter 2 funds—

(1) From an LEA that—

(i) Does not participate in the chapter 2 program; or

(ii) Has chapter 2 funds that exceed the amount required to—

(A) Operate its chapter 2 projects during the current fiscal year in accordance with its approved application; and

(B) Provide a prudent and justifiable reserve of chapter 2 funds for operating its chapter 2 projects effectively during the next fiscal year; or

(2) That are recovered by the State based on a determination by the State that the LEA has failed to spend LEA chapter 2 funds in accordance with applicable law.

(b) A reallocation of funds under this section—

(1) May be made only during the fiscal year for which the funds were appropriated or during the succeeding fiscal year;

(2) Must be made in accordance with the purposes of chapter 2; and

(3) Must be spent in accordance with the requirements in chapter 2 and the regulations in this part.

(Authority: 20 U.S.C. 2922)

§§ 298.9-298.16 [Reserved]

Subpart B—Project Requirements That a State or Local Educational Agency Must Meet

§ 298.11 General responsibilities of State and local education agencies.

(e) *State educational agencies.* (1)(i) Except as provided in paragraph (a)(1)(ii) of this section, an SEA has the basic responsibility for the administration and supervision of programs assisted with chapter 2 funds. This responsibility must be carried out with a minimum of paperwork.

(ii) Apart from providing technical and advisory assistance and monitoring compliance with chapter 2, an SEA may

not exercise any influence in the decisionmaking processes of an LEA concerning the expenditures described in the LEA's application.

(2) To carry out its responsibilities, an SEA may, in accordance with State law, issue rules, regulations, or policies relating to the administration and operation of programs funded under this part provided that those rules, regulations, or policies do not conflict with the provisions of—

(i) Chapter 2;

(ii) The regulations in this part, including the discretion granted to SEAs under paragraph (b) of this section; or

(iii) Other applicable Federal statutes and regulations.

(b) *Local educational agencies.* (1) An LEA has complete discretion, subject only to the limitations and requirements of chapter 2, in determining how funds the agency receives under section 1512 of the Act are distributed among the areas of targeted assistance in accordance with the LEA's chapter 2 application.

(2) In exercising this discretion, the LEA shall ensure that each expenditure of chapter 2 funds—

(i) Carries out the purposes of chapter 2; and

(ii) Meets the educational needs within the schools of that LEA.

(Authority: 20 U.S.C. 2911(c), 2932, 2943(c))

§ 298.12 Targeted assistance programs.

(a) Consistent with paragraph (b) of this section, chapter 2 funds may be used for the planning, development, operation, and expansion of the following:

(1) Programs to meet the educational needs of—

(i) Students at risk of failure in school;

(ii) Students at risk of dropping out of school; and

(iii) Students for whom providing an education entails higher than average costs.

(2) Programs for the acquisition and use of instructional and educational materials, including library books, reference materials, computer software and hardware for instructional use, and other curricular materials that would be used to improve the quality of instruction.

(3) Innovative programs designed to carry out schoolwide improvements, including effective schools programs under sections 1541-1542 of the Act.

(4) Programs of training and professional development to enhance the knowledge and skills of educational personnel, including teachers, librarians, school counselors, school social workers, school psychologists and other pupil services personnel, and

administrators and school board members.

(5) Programs designed to enhance personal excellence of students and student achievement, including instruction in ethics, performing and creative arts, humanities, activities in physical fitness and comprehensive health education, and participation in community service projects.

(6) Innovative projects to enhance the educational program and climate of the school, including programs for gifted and talented students, technology education programs, early childhood education programs, community education and programs for youth suicide prevention.

(b) Except to purchase computer hardware for instructional purposes under section 1531(b)(2) of the Act, chapter 2 funds may not be used to purchase instructional equipment unless that instructional equipment is used as a part of a program under paragraph (a) of this section.

(c) In conducting targeted assistance programs under this section, an SEA or LEA may use chapter 2 funds to make grants to and to enter into contracts with LEAs, institutions of higher education, libraries, museums, and other public and private nonprofit agencies, organizations, and institutions.

(Authority: 20 U.S.C. 2941-2942, 2951-2952)

§ 298.13 Use of funds by SEAs.

(a) *Authorized activities.* An SEA may use chapter 2 funds reserved for State use only for—

(1) State administration of chapter 2 programs, subject to paragraph (b)(1) of this section, including—

(i) Supervising the allocation of chapter 2 funds to LEAs;

(ii) Planning, supervising, and processing chapter 2 funds reserved for State use;

(iii) Monitoring and evaluating chapter 2 programs and activities; and

(iv) Operating the State advisory committee.

(2) Assistance to LEAs to provide targeted assistance under § 298.12 in the form of—

(i) Direct grants to LEAs;

(ii) Statewide activities; and

(iii) Technical assistance.

(3) Assistance to LEAs and statewide activities, in accordance with paragraph (b)(2) of this section, to carry out effective schools programs under sections 1541-1542 of the Act.

(b) *Limitations.*—(1) *State administration.* An SEA may not use more than 25 percent of the chapter 2 funds reserved for State use in any fiscal

year for State administration under paragraph (a)(1) of this section.

(2) *Effective schools programs.* (i) Except as provided in paragraph (b)(2)(ii) of this section, an SEA shall use at least 20 percent of the chapter 2 funds reserved for State use in any fiscal year for effective schools programs under sections 1541-1542 of the Act.

(ii) If a State is spending from non-Federal funds an amount equal to twice the amount required under paragraph (b)(2)(i) of this section, the SEA may request the Secretary to waive the requirement in that paragraph by submitting a written request that includes—

(A) The amount the State is spending from non-Federal funds for effective schools programs; and

(B) A description of those effective schools programs that addresses the factors in section 1542 of the Act.

(Approved by the Office of Management and Budget under control number 1810-0053). (Authority: 20 U.S.C. 2931, 2941-2942, 2951-2952)

§ 298.14. Use of funds by LEAs.

(a) *General.* An LEA may use chapter 2 funds to support one or more of the targeted assistance programs under § 298.12.

(b) *Special rules.* (1) If an LEA receives additional chapter 2 funds as a result of adjusted allocations under § 298.7(b)(2)(ii), the LEA may, at its discretion, use those funds either—

(i) To provide services to children enrolled in public and private, nonprofit schools in accordance with § 298.34(a)(2); or

(ii) To provide services only to children enrolled in schools—both public and private—in which children described in § 298.7(b)(2)(ii) are enrolled.

(2) If, in any fiscal year, an LEA uses chapter 2 funds under paragraph (b)(1)(ii) of this section, the LEA shall—

(i) Use all funds received as a result of adjusted allocations in that manner; and

(ii) Use in each school with children described in § 298.7(b)(2)(ii) the amount generated by those children who are enrolled in that school.

(3) An LEA is not required to use chapter 2 funds received under § 298.7(b)(2)(ii) to provide services to the children who generated those funds.

(Authority: 20 U.S.C. 2922(c)(2), 2941-2942, 2951-2952)

§ 298.15. Evaluations and reports.

(a) *LEA responsibilities.* (1) An LEA shall—

(i) Report annually to the SEA on the LEA's use of funds under § 298.14; and

(ii) Make that report available to the public.

(2) The LEA shall provide other information to the SEA as reasonably may be required for fiscal audit and program evaluation consistent with the SEA's responsibilities under this part:

(b) *SEA responsibilities.* (1) An SEA shall submit annually to the Secretary data on—

(i) The use of chapter 2 funds by the SEA and LEAs;

(ii) The types of services provided; and

(iii) The children to whom services were provided.

(2) In fiscal year 1992, the SEA shall—

(i) Evaluate the effectiveness of State and local programs conducted under this part;

(ii) Submit the evaluation to the State advisory committee for review and comment;

(iii) Make the evaluation available to the public; and

(iv) Submit a copy of the evaluation and a summary of the LEA's reports under paragraph (a)(1) of this section to the Secretary.

(3) The SEA shall provide other information to the Secretary as may be required for fiscal audit and program evaluation.

(Approved by the Office of Management and Budget under control number 1810-0053) (Authority: 20 U.S.C. 2932(a)(6)-(7), 2943(a)(4), 2973)

§§ 298.16-298.20 (Reserved)

Subpart C—Fiscal Requirements That a State or Local Educational Agency Must Meet

§ 298.21. Maintenance of effort.

(a) *Basic standard.* (1) Except as provided in § 298.22, the Secretary pays a State its full allocation of funds under this part if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures within the State with respect to the provisions of free public education for the preceding fiscal year was not less than 90 percent of the combined fiscal effort per student or of the aggregate expenditures for the second preceding fiscal year.

(2) *Meaning of "preceding fiscal year."* For purposes of determining maintenance of effort, the "preceding fiscal year" is the Federal fiscal year or the twelve-month fiscal period most commonly used in a State for official reporting purposes prior to the beginning of the Federal fiscal year in which funds are available.

Example: For funds first made available on July 1, 1990, if a State is using the Federal fiscal year, the "preceding fiscal year" is

fiscal year 1988 (which began on October 1, 1987) and the "second preceding fiscal year" is fiscal year 1987 (which began on October 1, 1986). If a State is using a fiscal year that begins on July 1, 1989, the "preceding fiscal year" is the twelve-month fiscal period ending on June 30, 1988 and the "second preceding fiscal year" is the period ending June 30, 1987.

(3)(i) *Expenditures to be considered.* The expenditures the Secretary considers in determining a State's compliance with the maintenance of effort requirement in this paragraph are State and local expenditures for free public education. These include expenditures for administrative, instruction, attendance, health services, pupil transportation, plant operation and maintenance, fixed charges, and net expenditures to cover deficits for food services and student body activities.

(ii) *Expenditures not to be considered.* The Secretary does not consider the following expenditures in determining a State's compliance with the maintenance of effort requirement in this paragraph:

(A) Any expenditures for community services, capital outlay, or debt service.

(B) Any expenditures of Federal funds.

(b) *Failure to maintain effort.* (1) If a State fails to maintain effort and a waiver under § 298.22 is not appropriate, the Secretary reduces the State's allocation of funds under this part in the exact proportion by which the State fails to meet 90 percent of both the State's combined fiscal effort per student and aggregate expenditures (using the measure most favorable to the State) for the second preceding fiscal year.

(2) In determining maintenance of effort for the fiscal year immediately following the fiscal year in which the State failed to maintain effort, the Secretary considers the fiscal effort for the second preceding fiscal year to be no less than 90 percent of the combined fiscal effort per student or aggregate expenditures (using the measure most favorable to the State) for the third preceding fiscal year.

Example: In Federal fiscal year 1990, a State fails to maintain effort because its fiscal effort in the preceding fiscal year (1988) is less than 90 percent of its fiscal effort in the second preceding fiscal year (1987). In assessing whether the State maintained effort during the next fiscal year (1991), the Secretary considers the State's expenditures for the second preceding fiscal year (1988) (the year that caused the State's failure to maintain effort) to be no less than 90 percent of the State's expenditures in the prior fiscal year (1987).

(Authority: 20 U.S.C. 2971(a))

§ 298.22 Waiver of the maintenance of effort requirement.

(a) *Waiver request.* A State that has not maintained its fiscal effort as required in § 298.21(a) may ask the Secretary to grant a waiver of that requirement by submitting a waiver request that includes—

(1) A statement of the combined fiscal effort per student and the aggregate expenditures for the two fiscal years being compared; and

(2) A description of the circumstances that the State considers to be exceptional or uncontrollable.

(b) *Secretary's criteria.* (1) The Secretary may grant a waiver, for one year only, of the maintenance of effort requirement in § 298.21(a) if the Secretary determines that the waiver is equitable due to exceptional or uncontrollable circumstances. Exceptional or uncontrollable circumstances include—

(i) A natural disaster;

(ii) A precipitous and unforeseen decline in the financial resources of the State; or

(iii) Other exceptional or uncontrollable circumstances.

(2) The Secretary does not consider tax initiatives or referenda to be exceptional or uncontrollable circumstances.

(c) *Effect of a waiver.* (1) If the Secretary grants a waiver under paragraph (b) of this section, the Secretary allocates to the affected State its full allocation of chapter 2 funds.

(2) In determining maintenance of effort for the fiscal year immediately following the fiscal year for which the waiver was granted, the Secretary considers the fiscal effort for the second preceding fiscal year to be no less than 90 percent of the combined fiscal effort per student or aggregate expenditures (using the measure most favorable to the State) for the third preceding fiscal year.

Example: In Federal fiscal year 1990, a State secures a waiver because its fiscal effort in the preceding fiscal year (1988) is less than 90 percent of its fiscal effort in the second preceding fiscal year (1987) due to exceptional or uncontrollable circumstances. In assessing whether the State maintained effort during the next fiscal year (1989), the Secretary considers the State's expenditures for the second preceding fiscal year (1988) (the year for which the State needed a waiver) to be no less than 90 percent of the State's expenditures in the prior fiscal year (1987).

(Approved by the Office of Management and Budget under control number 1610-0053)

(Authority: 20 U.S.C. 2971(a))

§ 298.23 Supplement-not-supplant.

An SEA or LEA that receives chapter 2 funds—

(a) May use and allocate those funds only to supplement and, to the extent practical, increase the level of funds that would, in the absence of Federal funds made available under chapter 2, be made available from non-Federal sources; and

(b) May not use chapter 2 funds to supplant funds from non-Federal sources.

(Authority: 20 U.S.C. 2971(b))

§§ 298.24–298.30 (Reserved)**Subpart D—How Children Enrolled in Private Schools Participate****§ 298.31 Responsibility of SEAs and LEAs.**

(a)(1) An LEA shall provide children enrolled in private schools in that LEA with secular, neutral, and nonideological services, materials, and equipment or other benefits that will ensure equitable (as compared to children enrolled in public schools) participation of private school children in the purposes and benefits of chapter 2 in accordance with the requirements in §§ 298.32–298.37 and section 1572 of the Act.

(2) The LEA shall provide the opportunity to participate in a manner that is consistent with the number and needs of private school children in the school district of the LEA.

(3) The LEA shall exercise administrative direction and control over chapter 2 funds and property that benefit children enrolled in private schools.

(4)(i) Provision of services to children enrolled in private schools must be provided by employees of a public agency or through contract by the public agency with a person, association, agency, or corporation that, in the provision of those services, is independent of the private school and of any religious organization.

(ii) This employment or contract must be under the control and supervision of the public agency.

(b)(1) An SEA shall—

(i) Ensure that each LEA complies with the requirements of §§ 298.32–298.37; or

(ii) If no chapter 2 project is carried out by an LEA, make arrangements—such as through contracts with nonprofit agencies or organizations—under which children in private schools in that LEA are provided with services and materials to the extent that would have occurred if the LEA had received chapter 2 funds.

(2) If an SEA conducts instructional programs or personnel training programs, it shall comply with these requirements as if it were an LEA.

(c) Under sections 1522(a)(3)(B) and 1533 (a)(1)(B) of the Act, an application by an SEA or LEA must contain the planned allocation of funds required to implement section 1572.

(d) In accordance with section 1572(a)(1) of the Act, the regulations in this subpart only apply to children enrolled in private, nonprofit elementary and secondary schools.

(Authority: 20 U.S.C. 2972)

§ 298.32 Consultation with private school officials.

In order to receive chapter 2 funds, an LEA shall—

(a) Contact annually appropriate officials from private schools within the area served by the LEA to determine whether those officials desire that their children participate in the chapter 2 program; and

(b) With respect to those officials in schools with children who will participate, consult regarding the development and implementation of the chapter 2 program before the LEA makes any decision that affects the opportunities of private school children to participate in the program.

(Authority: 20 U.S.C. 2922(b)(1), 2972)

§ 298.33 Needs, number of children, and types of services.

An LEA shall determine the following matters on a basis comparable to that used by the LEA in providing for participation of public school children:

(a) The needs of children enrolled in private schools.

(b) The number of those children who will participate in the chapter 2 program.

(c) The chapter 2 services that the LEA will provide to those children.

(Authority: 20 U.S.C. 2972)

§ 298.34 Factors used in determining equitable participation.

(a) *Equal expenditures.* (1) Expenditures for chapter 2 programs for children enrolled in private schools must be equal (consistent with the number of children to be served) to expenditures for chapter 2 programs for children enrolled in the public schools of an LEA, taking into account the needs of the individual children and other factors that relate to such expenditures.

(2) Except as provided in § 298.14(b)(1)(ii), in determining whether expenditures are equal under paragraph (a)(1) of this section, an LEA—

(i) May not take into account the extent to which children in private schools generated a portion of the LEA's allocation under § 298.7(b)(2)(ii); but

(ii) May take into account differences in the costs per child of meeting the

needs of the individual children to be served and other factors that relate to these expenditures, as provided in paragraph (a)(1) of this section.

(b) *Services on an equitable basis.* (1) In addition to meeting the equal expenditures requirement in paragraph (a) of this section, an LEA shall provide for the participation in the chapter 2 program of children enrolled in private schools on an equitable basis.

(2)(i) In determining whether an LEA is providing for participation on an equitable basis, the services provided to private school children and the services provided to public school children are considered.

(ii) If an LEA uses chapter 2 funds to concentrate programs for public school children on a particular group, attendance area, or grade or age level, the LEA shall ensure equitable opportunities for participation by children enrolled in private schools who—

(A) Have the same needs as the public school children to be served; and

(B) Are in that group, attendance area, or grade or age level.

(iii) If the needs of children enrolled in private schools are different from the needs of children enrolled in public schools, an LEA shall provide chapter 2 services for the private school children that address their needs on an equitable basis.

(Authority: 20 U.S.C. 2972)

§ 298.35 Funds not to benefit a private school.

(a) An LEA may only use chapter 2 funds to provide services that supplement, and in no case supplant, the level of services that would, in the absence of chapter 2 services, be available to children enrolled in a private school.

(b) An LEA shall use chapter 2 funds to meet the needs of children enrolled in a private school, but not for the purpose of aiding the private school.

(Authority: 20 U.S.C. 2972)

§ 298.36 Equipment and supplies.

(a) To meet the requirements of section 1572(c) of the Act, a public agency must keep title to and exercise continuing administrative control of all equipment and supplies that the LEA acquires with chapter 2 funds.

(b) The public agency may place equipment and supplies in a private school for the period of time needed for the program.

(c) The public agency shall ensure that the equipment or supplies placed in a private school—

(1) Are used for chapter 2 purposes;

(2) Are used for secular, neutral, and nonideological purposes; and

(3) Can be removed from the private school without remodeling the private school facility.

(d) The public agency shall remove equipment or supplies from a private school if—

(1) The equipment or supplies are no longer needed for chapter 2 purposes; or

(2) Removal is necessary to avoid unauthorized use of the equipment or supplies for other than chapter 2 purposes.

(e) For the purpose of this section, the term "public agency" includes the LEA.

(Authority: 20 U.S.C. 2972)

§ 298.37 Construction.

(a) No chapter 2 funds may be used to perform repairs, minor remodeling or construction of private school facilities.

(b) An LEA may use chapter 2 funds to perform repairs, minor remodeling, or construction of public facilities as may be necessary to carry out its responsibilities under this subpart.

(Authority: 20 U.S.C. 2972)

§ 298.38 Bypass.

(a) The Secretary implements a bypass if an SEA or LEA—

(1) Is prohibited by law from providing chapter 2 services for private school children on an equitable basis; or

(2) Has substantially failed, or is unwilling, to provide services for private school children on an equitable basis.

(b) If the Secretary implements a bypass, the Secretary—

(1) Waives an SEA's or LEA's responsibility for providing chapter 2 services for private school children and arranges to provide the required services;

(2) Consults with appropriate public and private school officials; and

(3) Deducts the cost of these services, including any administrative costs, from the appropriate allotment of chapter 2 funds provided to the State.

(c) Pending the final resolution of an investigation or a complaint that could result in a bypass action, the Secretary may withhold from the allocation of the affected SEA or LEA the amount the Secretary estimates is necessary to pay the cost of the services referred to in paragraph (b) of this section.

(Authority: 20 U.S.C. 2972 (d), (e), (g))

§§ 298.39-298.40 (Reserved)

PART 76—STATE-ADMINISTERED PROGRAMS

2. The authority citation for part 76 is revised to read as follows:

Authority: 20 U.S.C. 1221e-3(a)(1), 2831(a), 2974(b), and 3474, unless otherwise noted

§ 76.1 (Amended)

3. Section 76.1 is amended by removing paragraph (c) and by revising the authority citation at the end of the section to read as follows:

(Authority: 20 U.S.C. 1221e-3(a)(1), 2831(a), 2974(b), and 3474)

4. Section 76.401 is amended by adding a new paragraph (a)(9) to read as follows:

§ 76.401 Disapproval of an application—opportunity for a hearing.

(a) . . .

(9) Federal, State, and Local Partnership for Educational Improvement.

5. Section 76.563 is revised to read as follows:

§ 76.563 Restricted indirect cost rate—programs covered.

If a State or a subgrantee decides to charge indirect costs to a program that has a statutory requirement prohibiting the use of Federal funds to supplant non-Federal funds, the State or subgrantee shall use a restricted indirect cost rate computed under 34 CFR 75.504-75.568.

(Authority: 20 U.S.C. 1221e-3(a)(1), 2831(a), 2974(b))

§ 76.734 (Amended)

6. Section 76.734 is amended by removing "Unless a longer period is required under 34 CFR part 74, a" and adding "A" in its place.

§§ 76.2, 76.50, 76.51, 76.401, 76.500, 76.532, 76.533, 76.534, 76.600, 76.703, 76.704, 76.707, and 76.780 (Amended)

7. The authority citations for the following sections are amended by adding ". 2974(b)" before the final parenthesis:

§ 76.2
§ 76.50
§ 76.51
§ 76.401
§ 76.500
§ 76.532
§ 76.533
§ 76.534
§ 76.600
§ 76.703
§ 76.704
§ 76.707
§ 76.780

§ 76.125 (Amended)

8. The authority citation for § 76.125 is amended by adding, before "and", "2974(b)."

§ 76.707 [Amended]

9. The table in § 76.707 is amended by removing "under the cost principles in appendices C-F to 45 CFR part 74" in paragraph (h).

10. The following undesignated cross-references are removed from part 76:

(a) The cross-references following §§ 76.50, 76.305, 76.530, 76.702, and 76.734.

(b) The cross-references preceding §§ 76.140-76.142, 76.600, 76.682-76.690, 76.720-76.722, 76.730-76.734, 76.770-76.772, and 76.900-76.910.

PART 77—DEFINITIONS THAT APPLY TO DEPARTMENT REGULATIONS

11. The authority citation for part 77 is revised to read as follows:

Authority: 20 U.S.C. 1221e-3(a)(1), 2831(a), 2974(b), and 3474, unless otherwise noted.

§ 77.1 [Amended]

12. The authority citation following § 77.1 is revised to read as follows:

(Authority: 20 U.S.C. 1221e-3(a)(1), 2831(a), 2974(b), and 3474)

Note: This appendix will not be codified in the Code of Federal Regulations.

Appendix—Analysis of Comments and Changes**Section 298.1—Purpose**

Comment: A number of commenters requested clarification of the terms "initial funding" in § 298.1(a) and "continuing source" in § 298.1(b). The commenters questioned whether the language in § 298.1(a) limits the period of time for which an activity can be conducted with Chapter 2 funds or whether Chapter 2 is to be a continuing source of funding for an activity.

Discussion: There is no specific limitation on the length of time Chapter 2 funds may be used to support a program. Section 298.1 accurately states the purpose of Chapter 2 as articulated in section 1501(b) of the Act: To provide the initial funding to implement promising educational programs that can be supported by State and local sources of funding after those programs are demonstrated to be effective; to provide a continuing source of innovation, improvement, and support for library and instructional materials; to meet the special educational needs of at-risk and high-cost students; to enhance the quality of teaching and learning through effective schools programs; and to allow SEAs and LEAs to meet their educational needs and priorities for targeted assistance. No one part of this section takes precedence over any other part. Rather, it offers options to an LEA. The LEA must, however, use chapter 2 funds for a targeted assistance program as described in section 1531(b) of the Act.

Changes: None.

Section 298.2—Applicable Regulations

Comment: Several commenters recommended that the final regulations

clarify the extent to which construction is an allowable cost under chapter 2.

Discussion: Section 76.533 of the Education Department General Administrative Regulations (EDGAR) sets out the general rule concerning construction—namely, that no SEA or LEA may use funds "for acquisition of real property or for construction unless specifically permitted by the authorizing statute or implementing regulations for the program." With one limited exception, neither the chapter 2 statute nor the final regulations permits the use of chapter 2 funds for acquisition of real property or for construction. Therefore, under § 76.533, chapter 2 funds generally may not be used for those purposes. The exception is contained in section 1572(a) of chapter 2 and § 298.37 of the final regulations. Those provisions authorize an LEA to use chapter 2 funds to perform repairs, minor remodeling, or construction of public facilities as may be necessary to carry out its responsibilities to provide equitable chapter 2 services to private school children. In this limited circumstance, the provisions of §§ 76.600 and 75.901-75.902, 75.909-75.911, 75.913, and 75.916 govern how construction is performed.

Changes: None.

Comment: A number of comments were received on § 298.2 concerning the applicability of selected sections of the Education Department General Administrative Regulations (EDGAR). One commenter recommended that the section be deleted because the commenter believed the Education Consolidation and Improvement Act (ECIA) removed the requirement for chapter 2 to abide by EDGAR. One commenter applauded the use of EDGAR to provide direction and clarification. One commenter recommended that each State be allowed to use its own standards for fiscal control and accountability of chapter 2 funds. Several commenters recommended that § 76.730 of EDGAR not be made applicable since the commenters believed its inclusion would be duplicative of other fiscal control requirements in chapter 2 and would be unnecessarily burdensome.

Discussion: Congress intended, when it enacted chapter 2 of the ECIA, "to greatly reduce the enormous administrative and paperwork burden imposed on schools at the expense of their ability to educate children." In keeping with this purpose, the Department decided not to make the provisions of EDGAR applicable to chapter 2 of the ECIA, even though the statute did not preclude their applicability. During the seven years that EDGAR has not been applicable to chapter 2 of the ECIA, a number of States have incurred audit exceptions concerning fiscal control and fund accountability. In addition, SEAs and LEAs have asked the Department numerous questions that are answered by the provisions of EDGAR. Further, Congress identified lack of accountability as one of the primary deficiencies under chapter 2 of the ECIA. S. Rep. 222, 100th Cong., 1st Sess. 25 (1987). As a result, in order to provide additional guidance and to ensure that chapter 2 funds are spent only for authorized program purposes, the Secretary has made certain provisions of EDGAR applicable to programs under this part. In determining

which provisions to apply, the Secretary carefully balanced the need for basic program accountability with the important principle of minimum Federal interference in State and local affairs.

The Secretary has not made part 80 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments) applicable to programs under this part. Rather, § 298.2(b) of the final regulations requires States to have their own written fiscal and administrative requirements for expending and accounting for all funds received by SEAs and LEAs under this part. These requirements must meet three general criteria, set forth in §§ 298.2(B)(1) (i)-(iii), that are designed to ensure the minimal standards necessary for proper management of chapter 2 funds. A State may adopt new requirements, or may use requirements applicable to the use of its own funds. In the alternative, a State may apply the provisions in part 80 and certain provisions in part 75 to satisfy this requirement. A State has complete discretion to choose among these alternatives. A State's procedures do not have to be approved by the Department, but must be available for Federal inspection. In the event a State's requirements are determined to be insufficient, the enforcement provisions in part E of the General Education Provisions Act (GEPA) apply, including the due process provisions in that part.

In addition, the Secretary has made applicable a limited number of provisions from part 76 (State-Administered Programs). For the most part, the applicable sections are statutorily required. For example, because chapter 2 contains a supplement-not-supplant requirement, § 76.563 applies, which requires an SEA or LEA to use a restricted indirect cost rate, computed in accordance with 34 CFR 75.564-75.568, if the SEA or LEA charges indirect costs to chapter 2. Similarly, the recordkeeping requirements in § 76.730, to which several commenters objected as burdensome and duplicative of other fiscal requirements, are required by section 437(a) of GEPA, made applicable to programs under this part by section 1575 of chapter 2. Section 76.730, which specifies what records an SEA or LEA must keep, does not duplicate other chapter 2 requirements and is not unduly burdensome. A few of the applicable sections are not required by statute but provide important rights to SEAs and LEAs that would not be available without the regulations. For example, §§ 76.703-76.704 apply, which permit States and subgrantees, respectively, to begin to obligate chapter 2 funds on the date their applications are submitted in substantially approvable form.

The Secretary had also made applicable selected definitions in part 77 (Definitions That Apply to Department Regulations), this due process procedures in part 78 (Education Appeal Board), the enforcement provisions in part 81 (General Education Provisions Act—Enforcement), and the debarment and suspension provisions in part 85 (Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants)).

The Secretary believes that making selected provisions of EDGAR applicable to programs under this part will address the need for better guidance and accountability. Moreover, the Secretary does not believe this action will create additional burden for SEAs and LEAs. The referenced provisions of EDGAR apply to other State-administered education programs. The EDGAR provisions have been recently reviewed with respect to federalism issues and burden reduction, and unduly burdensome requirements have been revised or removed.

Changes: To ensure the least possible burden on States, the Secretary has removed the proposed requirement in § 298.2(b)(1) that the States "formally adopt" their fiscal and administrative requirements for chapter 2. Instead, States are only required to "have" those requirements. Further, to avoid any misunderstanding, the Secretary has incorporated, in § 298.2(b)(2), all of the States' options for fiscal and administrative requirements, including use of requirements that apply to the States' own funds. Some States were concerned that OMB Circular A-87 not be made applicable to the chapter 2 program. The Secretary emphasizes that under the chapter 2 regulations, OMB Circulars A-87 and A-102, which are incorporated in 34 CFR part 80, do not apply to the Chapter 2 program unless a State chooses to do so.

Several conforming changes that are not inconsistent with the proposed regulations have also been made. First, § 78.3 concerning the Department's general grant regulations has been excluded because regulations proposing to delete it from part 78 have not become final. Second, § 78.617 concerning compliance with the Coastal Barrier Resource Act has been deleted because regulations proposing to add it to part 78 have not become final. Third, §§ 78.670-78.677 concerning procedures for implementing a bypass authorized by section 1572(d)-(f) of chapter 2 were inadvertently omitted from the proposed regulations and have been added. Finally, part 81 concerning enforcement provisions in GEPA has been added because it has become final since publication of the chapter 2 proposed regulations.

Comment: None.

Discussion: These final regulations make applicable 34 CFR part 82—New Restrictions of Lobbying and Part 85—Governmentwide Debarment and Suspension (Nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants). The regulations in part 82 were adopted on February 28, 1990 (55 FR 6736). The regulations in part 85 were adopted in two separate rulemaking actions. First, under Executive Order 12543, 27 executive agencies joined together to promulgate common regulations authorizing debarment and suspension of individuals and organizations for nonprocurement programs of the U.S. Government. The Department implements this Executive Order in subparts A-E of part 85 (regular debarment and suspension) (53 FR 19161 (May 28, 1988)). Second, under the Drug-Free Workplace Act of 1988, the 27 agencies were joined by seven other agencies to issue debarment and suspension

regulations implementing the new Act. The Department implements the Drug-Free Workplace Act of 1988 in subpart F of part 85 (Drug-Free Debarment and Suspension) (54 FR 4958 (Jan. 31, 1989)).

The regular debarment and suspension regulations provide that statutory entitlements and mandatory awards (but not subtle awards thereunder which are not themselves mandatory) are not covered by the debarment and suspension regulations (34 CFR 85.110(a)(2)(i)). The Secretary has concluded that this exception from coverage precludes the Secretary from denying funding under this or any other State-administered program based on a regular debarment or suspension. The exception also would prevent the Department from denying assistance to a subgrantee under this program or any other program in which subgrantees are entitled to funds if they meet certain requirements.

While the Department could not cut off funds to a State or mandatory subgrantee, the Secretary has determined that all lower tier covered transactions, such as the employment of an administrator (a covered transaction under 34 CFR 35.110(a)(1)(ii)(A)), would be subject to the debarment and suspension regulations. Such a debarment would not prohibit the receipt of funds by the State or mandatory subgrantee. However, the debarment would prohibit the subject individual from acting as a principal for the State or subgrantee or from participating in any other covered transaction under nonprocurement programs of the Federal Government.

As a result, if the Department discovered any activity by an administrator of this program that would constitute grounds for debarment, the debarment official for the Department would take action to debar the individual. Further, if a State continued to do business with the individual and paid for the individual's services with program funds, the Department would consider issuing a Program Determination Letter to the State to recover the program funds. Given these conclusions, the Secretary has determined that the Department must collect primary tier certifications from grantees under this and other State-administered programs. Under 34 CFR 85.110(a), however, a State need only certify as to its principals. The OMB-approved forms used by the Department at this time for primary tier transactions do not yet indicate that they only apply to principals. The Department will submit to OMB for approval a new form that would only apply to principals of a State.

Similarly, as to mandatory subgrantees, States must collect the lower tier certifications from both mandatory and discretionary lower tier participants. As with the primary tier certifications submitted by States under this program, the Department will submit a new lower tier certification form to OMB for approval that would apply only to principals of mandatory subgrantees. However, pending approval of the new forms, the Department will use the current forms with the understanding that they only apply to principals of States under State-administered programs and to principals of mandatory subgrantees under State-administered programs.

The drug-free debarment and suspension regulations require all grantees receiving a grant from any Federal agency to certify that they will maintain a drug-free workplace. The regulations do not apply to subgrantees. The Department has authority to deny funds under entitlement programs such as chapter 2 to grantees that fail to meet the drug-free workplace requirements. Regarding the State certifications required under the drug-free debarment and suspension regulations, the Department will continue to use currently approved forms. Because the regulations do not apply to subgrantees, there is no need for States to take any other action to fully implement the requirements.

Changes: Section 200.2(a)(1) has been revised to reference the applicability of 34 CFR parts 82 and 85.

Section 298.3—Definitions

Comment: A number of commenters pointed out that the proposed regulations permit more than one definition of equipment. For example § 298.3(a) of the proposed regulations states that the definition of equipment in section 1471 of the Act applies. However, § 298.2(b)(2) permits a State to adopt the provisions in 34 CFR part 80, which contains a broader definition. Several commenters recommended that the definition which allows the greatest flexibility should be selected for inclusion in the final regulations.

Discussion: These regulations use the definition of equipment found in section 1471 of the Act. However, for purposes of accountability, States are free to use the definition in 34 CFR part 80 if they wish. This approach maintains the consistency of the regulations with the chapter 2 statute while providing States with maximum flexibility in accounting for the use of Federal funds.

Changes: None.

Comment: A number of commenters suggested that the definition of "educational personnel" in § 298.3(c) be expanded to include school social workers and school psychologists.

Discussion: The definition of "educational personnel" was included in the proposed regulations to encompass a number of types of school employees who could participate in the benefits of chapter 2. The Secretary believes that this can be accomplished by including school social workers and school psychologists in §§ 298.6(c)(3) and 298.12(a)(4) and deleting the definition from the regulations. However, the lists in §§ 298.6(c)(3) and 298.12(a)(4) as modified are not intended to be exclusive lists. Other types of educational personnel may be included in chapter 2 services as appropriate.

Changes: Sections 298.6(c)(3) and 298.12(a)(4) have been changed to specifically include school social workers and school psychologists. The definition in § 298.3(c) has been deleted.

Section 298.4—State Advisory Committee

Comment: One commenter noted that the reference in § 298.4(b) to the State Board of Education as the State Advisory Committee is unnecessary since a State Board of Education meeting all the requirements could obviously serve as the committee. The

commenter felt that specifically referencing a specific organization encourages limiting the advisory or public input process. The commenter recommended the elimination of the reference.

Discussion: The Secretary agrees that any existing organization that meets the requirements of section 1522(a)(2) of the Act may be the State Advisory Committee and that it is unnecessary to make specific reference to a State Board of Education.

Changes: The phrase "including a State Board of Education" has been deleted from § 298.4(b).

Comment: One commenter recommended that a private school representative knowledgeable about chapter 2 should be a member of the State Advisory Committee.

Discussion: Section 298.4 references section 1522(a)(2) of the Act, which requires that the State Advisory Committee include individuals representative of private elementary and secondary school children.

Changes: None.

Section 298.6—LEA Applications

Comment: A number of commenters noted that there is no explicit requirement in § 298.6(c)(1) that the parents of children enrolled in private schools as well as private school personnel be included in the consultation process required by section 1533(a)(5) of the Act.

Discussion: Section 1533(a)(5) of the Act requires an LEA to provide, "in the allocation of [Chapter 2] funds . . . and in the design, planning, and implementation of [Chapter 2] programs, for systematic consultation with parents of children attending elementary and secondary schools in the area served by the local agency, [and] with teachers and administrative personnel in such schools."

This requirement does not distinguish between parents of public and private school children. Thus, all parents are to be included in the consultation process. This requirement also includes private school personnel. Moreover, section 1572(a) of the Act and § 298.32 of the final regulations address consultation with appropriate private school officials.

Changes: Section 298.6(c)(1) has been revised to clarify that the consultation requirement in section 1533(a)(5) of the Act applies to parents of public and private school children. Accordingly, it follows in § 298.6(c)(2) that teachers and administrative personnel in public and private schools should also be consulted.

Comment: A number of commenters requested that school social workers and school psychologists be specifically added to the list in § 298.6(c)(3) of other groups involved in the implementation of chapter 2.

Discussion: The Secretary agrees that specifically adding school social workers and school psychologists to the list is appropriate. The list as modified, however, is not meant to be exclusive. An LEA may also consult with other groups involved in the implementation of chapter 2 if appropriate.

Changes: Section 298.6(c)(3) has been changed to include specifically school social workers and school psychologists.

Section 298.7—Allocation of Chapter 2 Funds to LEAs

Comment: Many commenters commented on § 298.7 of the proposed regulations concerning the allocation of Chapter 2 funds to LEAs. Specifically, the commenters objected to § 298.7(b)(2)(ii), which requires an SEA to provide adjusted allocations only to LEAs that serve the greatest numbers or percentages of children living in areas with high concentrations of low-income families, children from low-income families, or children living in sparsely populated areas. Some commenters believed that the regulation is unduly restrictive in limiting adjusted allocations only to LEAs that serve the greatest numbers or percentages of high-cost children. The commenters recommended that all LEAs with eligible children be allowed to receive funds. The commenters suggested that the State Advisory Committee be given the authority to allocate chapter 2 funds according to the best interests of the State. Similarly, other commenters criticized limiting the categories of high-cost children because many children whose education imposes a higher than average cost per child would not be included. The commenters recommended that a State be allowed to include other factors than those listed in § 298.7(b)(2)(ii) in calculating its formula for distributing chapter 2 funds to LEAs.

Discussion: Section 1512(a) of the Act sets out the general rule for distributing chapter 2 funds to LEAs: It requires an SEA to adjust its distribution formula "to provide higher per pupil allocations to [LEAs] which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as" children living in areas with high concentrations of low-income families, children from low-income families, and children living in sparsely populated areas. Section 1512(b)(2)(A) of the Act prescribes how the SEA must adjust its formula. In doing so, it contains two notable differences from section 1512(a): (1) It requires an SEA to distribute the "high-cost" funds only to LEAs with the greatest numbers or percentages of "high-cost" children; and (2) it limits the "high-cost" factors that an SEA may use to those in the statute.

As stated in § 298.7(b)(2)(ii) of the final regulations, the Secretary believes that the more specific provisions in section 1512(b)(2)(A) take precedence over the general rule in 1512(a). This decision is required by certain requirements in the Act. First, section 1512(b)(2)(B) of the Act requires the Secretary to review and approve a State's criteria "based on the factors set forth in [1512(b)(2)](A)." Second, section 1522(a)(9) requires that a State's application indicate: (1) How the State will adjust its formula to comply with section 1512(b)(2); (2) how children under section 1512(b)(2)(A) are defined; (3) the basis on which a determination of the LEAs under section 1512(b)(2)(A) is made; and (4) the percentage of the State grant that the State proposes to allot on an adjusted basis. Given that Congress chose to require this specific information in a State's chapter 2 application, it seems clear Congress intended the provisions in section 1512(b)(2)(A) to apply.

This interpretation of Congress' intent is supported, in part, by the legislative history of section 565(a) of chapter 2 of the ESEA, the predecessor of section 1512(a). Under the Department's interpretation of section 565(a), an SFA could distribute "high-cost" funds to any LEA that had "high-cost" children. Dissatisfied with the Department's interpretation, the conferees indicated in the conference report accompanying technical amendments to the ESEA that "[i]t is the intent of the conferees that section 565(a) of the [ESEA] be interpreted such that State chapter 2 distribution formulas provide adjusted allocations to LEAs with only the greatest numbers or percentages of high cost children rather than allocations to LEAs with any number of percentage of such children." H.R. Rep. 574, 96th Cong., 1st Sess. 15 (1963). Section 1512(b)(2)(A) requires this interpretation.

Despite a more restrictive statutory provision, the Secretary wishes to emphasize that States continue to have considerable flexibility in adjusting their formulas. A State may decide what percentage of chapter 2 funds is to be allocated on an adjusted basis. A State may also decide, within the statutory categories, how to define "high-cost" children and which categories to use.

Changes: None.

Section 298.12—Targeted Assistance Programs

Comment: A number of commenters recommended that the regulations clarify the language in section 1532(b) of the Act concerning the authority for SEAs and LEAs to enter into contracts and grants. The commenters expressed concern that section 1532(b) appears to limit their ability to enter into contracts with profit-making organizations and individuals, which would severely hamper a number of the activities they would otherwise conduct.

Discussion: Section 1532(b) of the Act states that, "[i]n order to conduct the activities authorized by this part, each State or local educational agency may use funds reserved for this part to make grants to and to enter into contracts with local educational agencies, institutions of higher education, libraries, museums, and other public and private non-profit agencies, organizations, and institutions." The conference report accompanying the Act indicates that the conference committee agreed to include this authority but specifically amended it to "limit [] private agencies to only those which are nonprofit." H.R. Rept. 567, 100th Cong., 2d Sess. 349 (1986).

The Secretary cannot waive or amend the statutory provision. The Secretary, however, interprets this provision to apply only to grants or contracts to operate targeted assistance programs. It does not limit an SEA's or LEA's authority to contract with an individual or a for-profit corporation to purchase specific goods or services—for example, to purchase materials to provide specific services, to secure audit services, or to lease conference space—to assist the SEA or LEA in carrying out a targeted assistance program.

Changes: None.

Comment: A number of commenters requested that § 298.12(a)(2) use the language of the Act to describe the programs to acquire and use instructional materials. The commenters pointed out that §§ 298.12(a)(1), 298.12(a)(3), and 298.12(a)(4) used the language in section 1531(b). They contended that to edit § 298.12(a)(2) might limit the types of programs and SEA or LEA might conduct under this area of targeted assistance.

Discussion: In order to avoid any confusion concerning the programs authorized under section 1531(b) of the Act, the Secretary agrees that it is appropriate to use the exact language of the Act in all of the areas of targeted assistance listed in § 298.12.

Changes: Sections 298.12(a)(2), 298.12(a)(5) and 298.12(a)(6) are modified accordingly.

Comment: Several commenters addressed the provision in § 298.12(b) concerning purchasing equipment under chapter 2. One commenter recommended that only computer hardware be allowable.

One commenter felt that the Act implicitly authorizes expenditures for equipment and, therefore, § 298.12(b) is unnecessary. One commenter believed that the purchase of equipment under chapter 2 should be coordinated with other Federal assistance programs. One commenter requested that the types of equipment that are permissible be pointed out. One commenter recommended that administrative and management technology expenditures be allowed.

Discussion: Under section 577(i) of chapter 2 of the ECLIA, an LEA was authorized to use chapter 2 funds to purchase "instructional equipment and materials suitable for use in providing education in academic subjects . . ." So long as the equipment met those requirements, it did not need to be tied to any other chapter 2 activity. Unlike section 577(1) of chapter 2 of the ECLIA, section 1531(b)(2) of the Act does not authorize the use of chapter 2 funds to purchase general instructional equipment as a program in and of itself—that is, the purchase of general instructional equipment is not a "program," per se. SEAs and LEAs may only make such equipment purchases with chapter 2 funds if the equipment is used as a part of a chapter 2 program to meet one of the areas of targeted assistance in section 1531(b). As a result, § 298.12(b) is necessary because it states the basic rule concerning purchasing instructional equipment. Moreover, because equipment must be part of a targeted assistance program, it is unlikely that

expenditures for administrative and management technology would be allowed.

Changes: None.

Section 298.13—Use of Funds by SEAs

Comment: Several commenters noted that § 298.13(b)(2)(ii) concerning a waiver of the requirement to expend 20 percent of the funds reserved for State use for effective schools programs substitutes an "SEA" for the word "State" in the Act. They contend that this could be detrimental to an SEA in applying for a waiver because the State as a whole may be spending more funds for effective schools programs than the SEA.

Discussion: Section 1521(b)(2)(B) of chapter 2 authorizes a State to request a waiver of the requirement to expend 20 percent of the chapter 2 funds reserved for the State's use for effective schools programs if the "State is spending from non-Federal sources an amount equal to twice as much" as the State is required to spend from chapter 2. The Secretary did not intend to restrict the funds that could be considered in granting a waiver request to only funds expended by the SEA.

Change: Section 298.13(b)(2)(ii) has been changed to clarify that the non-Federal funds expended for effective schools programs may be funds expended by the State, not merely the SEA.

Comment: Several commenters requested clarification of the time period in which the SEA could spend the 25 percent of its chapter 2 funds reserved for administering chapter 2. Specifically, the commenters requested that the time period for those expenditures coincide with the period for which the funds are available for use.

Discussion: Section 1521(b) prohibits an SEA from expending "more than 25 percent of funds available [to the State] in any fiscal year" for State administration of programs under this part. The Secretary interprets the phrase "in any fiscal year" to clarify the amount of funds on which the 25 percent limitation is calculated—that is, the funds reserved for the State's use from a given fiscal year's chapter 2 grant. An SEA may expend no more than 25 percent of that amount for State administration. In accordance with section 412(b) of GEPA, however, the SEA may expend those funds during the fiscal year for which they were appropriated or during the succeeding fiscal year.

Change: None.

Section 298.15—Evaluations and Reports

Comment: A number of commenters responded to § 298.15 on evaluations and reports for commenters recommended that the types of chapter 2 services provided for private school children be specifically identified in the annual report. One commenter suggested that the services provided by pupil services personnel be included in the annual report. One commenter objected to the provision in § 298.15(b)(3) that an "SEA shall provide other information to the Secretary as may be required for program evaluation" because this provision could cause an unreasonable burden.

Discussion: Section 298.15 accurately reflects the evaluation and reporting requirements in sections 1522(a)(5)-(7), 1533(a)(4), and 1573 of the Act. The Secretary believes that the services provided by pupil services personnel would be required to be listed under § 298.15(b)(1)(ii)—the types of services provided. The Secretary does not believe it is necessary to require an SEA to distinguish between the services provided to public and private school children, although the SEA is free to do so. Finally, the provision in § 298.15(b)(3) that an "SEA shall provide other information to the Secretary as may be required for fiscal audit and program evaluation" is specifically required by section 1522(a)(7) of the Act.

Changes: None.

Section 298.23—Supplement-Not-Supplant

Comment: A number of commenters suggested that § 298.23 be expanded to include examples of how activities and programs funded with non-Federal funds could be supplemented with chapter 2 funds without supplanting the non-Federal funds.

Discussion: Section 298.23 of the final regulations accurately states the supplement-not-supplant requirement in section 1571(b) of the Act. Application of this requirement is dependent upon the specific circumstances in an SEA or LEA and therefore makes the kind of generalizations needed for regulations difficult. The Secretary appreciates the need for additional guidance in this area, however, and will include examples of specific instances of supplanting in a revised nonregulatory guidance document.

Changes: None.

[FR Doc. 90-8818 Filed 4-17-90 8:45 am]

BILLING CODE 4800-81-M

Federal Register

Friday
January 10, 1992

Part II

Department of Education

34 CFR Part 298

Federal, State, and Local Partnership for
Educational Improvement; Final rule

DEPARTMENT OF EDUCATION

34 CFR Part 298

RIN 1810-AA60

Federal, State, and Local Partnership
for Educational Improvement

AGENCY: Department of Education.

ACTION: Final regulations.

SUMMARY: The Secretary amends the regulations governing chapter 2 of title I of the Elementary and Secondary Education Act of 1965, as amended. These regulations implement an amendment to chapter 2 (contained in the National Literacy Act of 1991) that authorizes training programs for teachers and school counselors to identify, particularly in the early grades, students who may be at risk of illiteracy in the adult years.

EFFECTIVE DATE: These regulations take effect either 45 days after publication in the Federal Register or later if the Congress takes certain adjournments. If you want to know the effective date of these regulations, call or write the Department of Education contact person. A document announcing the effective date will be published in the Federal Register.

FOR FURTHER INFORMATION CONTACT: Lee E. Wickline, Director, School Effectiveness Division, School Improvement Programs, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Avenue, SW., (room 2040), Washington, DC 20202-6140. Telephone: (202) 401-1062. Deaf and hearing impaired individuals may call the Federal Dual Party Relay Service at 1-800-877-8339 (in the Washington, DC 202 area code, telephone 706-6300) between 8 a.m. and 7 p.m., Eastern time.

SUPPLEMENTARY INFORMATION: In the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, P.L. 100-297, Congress enacted chapter 2 of title I of the Elementary and Secondary Education Act of 1965, entitled "Federal, State, and Local Partnership for Educational Improvement." To make chapter 2 a vehicle for school improvement, with an "identifiable theme of improving quality and promoting innovation" (see H.R. Rep. No. 95, 100th Cong., 1st Sess. 50 (1987)), Congress identified six broad purposes for which Chapter 2 funds may be targeted: Programs for at-risk students; acquisition and use of instructional materials; schoolwide improvement and effective schools programs; training and professional development for

educational personnel; programs to enhance the personal excellence of students and student achievement; and innovative projects to enhance the educational program and climate of the school.

In section 302 of the National Literacy Act of 1991, Public Law 102-73, Congress amended section 1531(b) of chapter 2 (20 U.S.C. 2941) to add a seventh purpose for which chapter 2 funds may now be targeted: Training programs to enhance the ability of teachers and school counselors to identify, particularly in the early grades, students who may be at risk of illiteracy in their adult years. Subject to the requirement to target funds on one or more of the seven areas, State and local educational agencies retain the flexibility to decide how to use their chapter 2 funds. The final regulations in this document amend § 298.12(a) of the chapter 2 regulations to incorporate this statutory change.

This statutory and regulatory change authorizes activities that can help foster the aims of AMERICA 2000, the President's strategy to help America move itself toward the six National Education Goals.

Specifically, local educational agencies that choose to use their funds for this newly authorized purpose will be working toward fulfillment of:

- Goal 2, by identifying students with reading difficulties early, thus reducing the risk that they will drop out before completing high school;
- Goal 3, by ensuring that all children are equipped with the reading skills they need to help them leave grades four, eight, and twelve having demonstrated competency in challenging subject matter; and
- Goal 5, by helping all children grow up to be literate adults who possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.

Waiver of Proposed Rulemaking

In accordance with section 431(b)(2)(A) of the General Education Provisions Act (20 U.S.C. 1232(b)(2)(A)) and the Administrative Procedure Act (5 U.S.C. 553), it is the practice of the Secretary to offer interested parties the opportunity to comment on proposed regulations. Because these regulations merely incorporate a statutory change, however, public comment could have no effect. Therefore, the Secretary has determined that publication of a proposed rule is unnecessary and contrary to the public interest under 5 U.S.C. 553(b)(B).

Regulatory Flexibility Act Certification

The Secretary certifies that these final regulations will not have a significant economic impact on a substantial number of small entities. The small entities that would be affected by these regulations are small local educational agencies (LEAs) receiving Federal funds under this program. However, the regulations would not have a significant economic impact on the small LEAs affected because the regulations merely incorporate a statutory change and do not impose excessive burdens or require unnecessary Federal supervision.

Executive Order 12291

These regulations have been reviewed in accordance with Executive Order 12291. They are not classified as major because they do not meet the criteria for major regulations established in this order.

Paperwork Reduction Act of 1980

These regulations have been examined under the Paperwork Reduction Act of 1980 and have been found to contain no information collection requirements.

List of Subjects in 34 CFR Part 298

Administrative practice and procedure, Education, Elementary and Secondary Education, Grant programs—education, Private schools, Reporting and recordkeeping requirements, State administered programs.

(Catalog of Federal Domestic Assistance Number 84.151, Federal, State, and Local Partnership for Educational Improvement)

Dated: December 23, 1991.

Lamar Alexander,
Secretary of Education.

The Secretary amends part 298 of title 34 of the Code of Federal Regulations as follows:

PART 298—FEDERAL, STATE, AND
LOCAL PARTNERSHIP FOR
EDUCATIONAL IMPROVEMENT

1. The authority citation for part 298 continues to read as follows:

Authority: 20 U.S.C. 2911-2952, 2971-2976, unless otherwise noted.

2. Section 298.12 is amended by redesignating paragraphs (a) (5) and (6) as paragraphs (a) (6) and (7), respectively, and adding a new paragraph (a)(5) to read as follows:

§ 298.12 Targeted assistance programs.

(a) . . .

(5) Programs of training to enhance the ability of teachers and school counselors to identify, particularly in the

early grades, students with reading and reading-related problems that place those students at risk for illiteracy in their adult years.

[FR Doc. 92-049 Filed 1-9-92; 8:45 am]
BILLING CODE 4000-01-0

Appendix B
STATE SURVEY



OMB No. 1875-0085
Approval expires 11/30/94

October 1992

Dear Chapter 2 Coordinator:

SRI International, under contract to the U.S. Department of Education, is conducting a nationwide study of Chapter 2. The study will inform Congress about what Chapter 2 funds mean to states and their school districts.

For the purpose of this study, "Chapter 2" refers to the Federal, State and Local Partnership for Educational Improvement reauthorized under the Hawkins-Stafford Elementary and Secondary School Improvement Amendments of 1988 (P.L. 100-297). "ECIA" (Education Consolidation and Improvement Act) refers to the initial block grant program that became effective in the 1982-83 school year.

Depending on how your state has organized its uses of Chapter 2 funds, you may wish to consult others who are more knowledgeable about particular items and sections. Your answers will be kept strictly confidential and will be reported only in aggregated form. An ID number appears on the questionnaire to allow us to cross your state off our mailing list once we have received your responses.

We are aware of the many demands on your time, but would appreciate your completing this questionnaire as soon as possible and returning it directly in the enclosed business-reply envelope. Although your participation is voluntary, your reply is of great importance to the accuracy of the survey because without high response rates, our ability to make strong conclusions is greatly reduced. If you have any questions or comments concerning this study, please don't hesitate to contact me at (415) 859-3908.

Thank you for your help.

Sincerely,

Christine Padilla
Survey Director
National Study of Chapter 2
SRI International

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SRI International






333 Ravenswood Ave. • Menlo Park, CA 94025 • (415) 326-6200 • TWX: 910-373-2046 • Telex: 334486 • Facsimile: (415) 326-5512

STATE SURVEY OF CHAPTER 2

PLEASE NOTE:

In this survey we are interested in your state's experience with Chapter 2, the federal program designed to provide states with a flexible source of funds to improve their elementary and secondary educational programs. Before you begin to answer questions, please take a moment to read this important information.

DIRECTIONS

-  Please read all questions and instructions carefully. Answer the questions by circling the appropriate number or writing in the answer, if requested to do so. It is important that you limit your response to *one* alternative for questions that direct you to "CIRCLE ONE." We cannot use your answer if it is in between two responses or if you change the wording of the question in any way.
-  In answering questions requiring a dollar amount or a percentage, please provide the most accurate data available. If you are unsure about a figure, give your best *single* estimate. Please write in "0" if your answer means "none." Do not leave any lines blank.
-  Some of the questions may not apply to your Chapter 2 activities, and some are designed to branch you to particular follow-up questions. Please read these questions thoroughly and follow the branching instructions.
-  All questions refer *only* to the SEA set-aside portion of your state's Chapter 2 allocation. Information about Chapter 2-funded activities at the district level will be obtained through a separate survey sent directly to the school districts.
-  Unless otherwise noted, all questions refer to the period from July 1, 1991, to June 30, 1992, which will be referred to as the 1991-92 program year.

NOTICE

Public reporting burden for this collection of information is estimated to vary from 1 to 2 hours per response, with an average of 1.5 hours, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Education, Information Management and Compliance Division, Washington, D.C. 20202-4651; and to the Office of Management and Budget, Paperwork Reduction Project 1875-NEW, Washington, D.C. 20503.

A. CHAPTER 2 OUTCOMES AND PROGRAM IMPROVEMENT

1. What has been Chapter 2's most important contribution to your state's educational program? (6)

2. The following alternatives represent some possible changes in the Chapter 2 program. Please indicate whether you agree or disagree that the following changes would improve Chapter 2 services in your state.

(CIRCLE ONE NUMBER FOR EACH LINE)

<u>Change Would Improve Chapter 2 in This State</u>	<u>Disagree Strongly</u>	<u>Disagree Somewhat</u>	<u>Agree Somewhat</u>	<u>Agree Strongly</u>	<u>No Opinion</u>	
a. Consolidate Chapter 2 with other state and federal discretionary grant programs to provide greater flexibility in implementing reform	1	2	3	4	8	(7)
b. Replace the Chapter 2 application with a single multiyear reform plan	1	2	3	4	8	(8)
c. Distribute Chapter 2 funds to states on a formula based on the numbers of high-need children in the state	1	2	3	4	8	(9)
d. Allow states to decide how Chapter 2 funds would be allocated at the local level	1	2	3	4	8	(10)
e. Revise the "supplement not supplant" provision to provide greater flexibility in use of funds	1	2	3	4	8	(11)

2. (Concluded)

<u>Change Would Improve Chapter 2 in This State</u>	<u>Disagree Strongly</u>	<u>Disagree Somewhat</u>	<u>Agree Somewhat</u>	<u>Agree Strongly</u>	<u>No Opinion</u>	
f. Eliminate the 20% set-aside for "effective schools programs"	1	2	3	4	8	(12)
g. Redefine "effective schools programs" to include the full range of school-based reform	1	2	3	4	8	(13)
h. Redefine the targeted assistance areas to make them more relevant and useful	1	2	3	4	8	(14)
i. Eliminate targeted assistance areas	1	2	3	4	8	(15)
j. Increase the share of Chapter 2 funds retained at the federal level for technical assistance and national leadership activities	1	2	3	4	8	(16)
k. Increase the share of Chapter 2 funds reserved for state use	1	2	3	4	8	(17)
l. Increase the share of Chapter 2 funds that flow through to locals	1	2	3	4	8	(18)
3. What changes to the current Chapter 2 regulations would most support your state in implementing educational reform?						(19)

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4. If the "supplement not supplant" provision were revised to provide more flexibility in the use of Chapter 2 funds, what types of programs or activities would your agency support with Chapter 2 funds?

(20)

5. If the targeted assistance areas were redefined, what new categories would be most relevant and useful to your Chapter 2 program?
(USE AS MANY OR AS FEW CATEGORIES AS YOU DEEM APPROPRIATE)

a. _____

(21)

b. _____

(22)

c. _____

d. _____

e. _____

f. _____

g. _____

h. _____

B. ALLOCATION OF CHAPTER 2 FUNDS

6. Please write in the amount of Chapter 2 funds your agency allocated to each of the following targeted assistance areas from funds that were reserved for state use (that is, the 20% state set-aside) for the period from July 1, 1991, to June 30, 1992. Include any funds that were carried over from 1990-91. Remember, all questions refer only to the SEA set-aside portion of your state's Chapter 2 allocation.

PLEASE EXCLUDE CHAPTER 2 FUNDS ALLOCATED FOR DISCRETIONARY GRANTS. REPORT THESE FUNDS IN QUESTION 15.

	1991-92	
1. Programs to serve students at risk or whose education entails higher-than-average cost.....	\$	(23)
2. Programs to acquire and use:		
a. Library materials.....		(31)
b. Computer software/hardware.....		(39)
c. Other instructional/educational materials.....		(47)
3. Innovative programs:		
a. Schoolwide improvement.....		(55)
b. Effective schools programs.....		(63)
4. Programs of training and professional development.....		(71)
5. Programs to enhance personal excellence and student achievement:		
a. Ethics.....		(6)
b. Performing and creative arts.....		(14)
c. Humanities.....		(22)
d. Physical fitness.....		(30)
e. Comprehensive health education.....		(38)
f. Community service.....		(46)
g. Other (SPECIFY).....		(54)
6. Programs to enhance school climate and educational programs:		
a. Gifted and talented programs.....		(62)
b. Technology education.....		(70)
c. Early childhood education.....		(6)
d. Community education.....		(14)
e. Youth suicide prevention.....		(22)
f. Other (SPECIFY).....		(30)
7. Administration of the Chapter 2 program.....		(38)
Total State Funds Allocated in 1991-92.....	\$	(46)




7. How much of your 1990-91 20% state set-aside was carried over to the 1991-92 program year?
 (ENTER "0" IF NO FUNDS WERE CARRIED OVER.)

State set-aside funds carried over from the 1990-91 program year: \$ _____ (54)


8. Please write in the amount of Chapter 2 funds your agency allocated to each of the following budget categories from the 20% state set-aside for the period from July 1, 1991, to June 30, 1992. Include any funds that were carried over from prior years.

	1991-92	
a. Personnel (salaries and fringe benefits)	\$ _____	(62)
b. Equipment, materials, and supplies	_____	(70)
c. Contractual services (e.g., consultants)	_____	(6)
d. Travel	_____	(14)
e. Training costs (e.g., stipends to teachers and administrators to attend SEA-sponsored training sessions).....	_____	(22)
f. Indirect costs	_____	(30)
g. Other (e.g., communications, data processing).....	_____	(38)
Total State Funds Allocated in 1991-92	\$ _____	(46)

 The total reported in Question 8 should be the same as the total reported in Question 6.

9. Please write in the amount of Chapter 2 funds your agency allocated to each of the following Chapter 2 administrative activities for the period from July 1, 1991, to June 30, 1992. Include any funds that were carried over from prior years.
(PLEASE ENTER "0" IF NO FUNDS WERE ALLOCATED)

	1991-92	
a. Technical assistance to LEAs in the development of their local grants	\$	(54)
b. Application review and allocation of funds to LEAs (80% funds)		(62)
c. Planning and supervision of 20% state funds		(70)
d. Administration of discretionary grants		(6)
e. Monitoring and evaluation of programs and activities		(14)
f. Operations of the Chapter 2 Advisory Committee.....		(22)
g. Other (SPECIFY) _____		(30)
Total State Funds Allocated for Administration in 1991-92 ...	\$	(38)

 The total reported in Question 9 should be the same as the total reported in Question 6, line 7.

10. What percentage of the state's total 1991-92 Chapter 2 allocation was distributed to LEAs (i.e., 80% or more)?

1991-92 allocation to LEAs: _____% (46)

11. Indicate the weighting given to various criteria in your state's allocation formula for distributing Chapter 2 funds to LEAs for the 1991-92 program year.
(ENTER "0" FOR ANY FACTOR THAT WAS NOT INCLUDED IN THE FORMULA)

	Weighting	
a. Student enrollment in public and participating private schools....	%	(49)
b. Adjustments for high-cost factors:		
1. High concentrations of low-income families	%	(52)
2. Students from low-income families	%	(55)
3. Sparsely populated area	%	(58)
c. Other (SPECIFY) _____	%	(61)

 Please attach a copy of your state's *allocation formula* for distributing Chapter 2 funds to LEAs for the 1991-92 program year.

12. In which of the following ways did your agency use Chapter 2 funds from the 20% state set-aside in 1991-92?

(CIRCLE ALL THAT APPLY)

- Continuation of existing Chapter 2 programs 1 (64)
- Seed money for new programs that will eventually derive some or all of their funds from other sources 2
- Full support for new programs 3
- Expansion of programs initiated with funds from other sources 4
- Don't know 8

13. Which of the following funding sources were explicitly coordinated with Chapter 2 funds from the 20% state set-aside in 1991-92?

(CIRCLE ALL THAT APPLY)

- Chapter 1 funds 1 (65)
- Other federal funds 2
- Specially earmarked state funds 3
- State general funds 4
- Private foundation grants 5
- Business partnership grants 6
- Other funds (SPECIFY) _____ 0
- Chapter 2 funds were not used in conjunction with any other funds 7
- Don't know 8

14. Did your agency award discretionary grants to locals (e.g., LEAs, schools, consortia) from Chapter 2 funds (either 20% state set-aside funds or reallocated 80% LEA funds) for the 1991-92 program year?

(CIRCLE ONE NUMBER)

- Yes 1 (66)
- No 2 } SKIP TO QUESTION 17
- Don't know 8 }

15. Please write in the amount of Chapter 2 funds used to award discretionary grants from the 20% state set-aside and (if applicable) from reallocated 80% LEA funds for the 1991-92 program year. Also, enter the total number of grants supported from each source.

	1991-92 Funds	Number of Grants
From 20% state set-aside:	\$ _____ (6)	_____ (14)
From reallocated 80% LEA funds:	\$ _____ (17)	_____ (25)

16. For which of the following reasons did your agency elect to award Chapter 2 discretionary grants for the 1991-92 program year?

(CIRCLE ALL THAT APPLY)

- To channel funds to LEAs that have particular needs (e.g., rural, urban) 1 (28)
- To target specific student groups 2
- To promote activities in particular target areas 3
- To promote state education priorities 4
- To encourage educational innovation 5
- To encourage activities related to educational reform 6
- To provide specific technical assistance to LEAs (e.g., training, program evaluation) 7
- Other (SPECIFY) _____ 0
- Don't know 8

Chapter 2 Funding for Private Schools

17. During the 1991-92 program year, how many private schools in your state were eligible to participate in Chapter 2 (at the state or local level) according to your state's eligibility criteria?

(ENTER "0" IF THERE WERE NO ELIGIBLE PRIVATE SCHOOLS)

Number of eligible private schools: _____ (29)

18. Please write in the amount of Chapter 2 funds your agency allocated for services to private schools from the 20% state set-aside for the 1991-92 program year. Include any funds that were carried over from prior years.

(GIVE ESTIMATE IF NOT SURE. ENTER "0" IF NO FUNDS WERE ALLOCATED)

20% funds allocated to private schools: \$ _____ (32)

19. How many private schools actually participated in Chapter 2 from the 20% state set-aside during the 1991-92 program year?

(ENTER "0" IF NO PRIVATE SCHOOLS RECEIVED CHAPTER 2 SERVICES)

Number of private schools that participated in Chapter 2: _____ (39)

C. STUDENTS AND ACTIVITIES SUPPORTED BY CHAPTER 2

20. Did your agency specifically target 1991-92 Chapter 2 funds from the 20% state set-aside to serve any particular group of students (e.g., middle grades, low achieving)?
(CIRCLE ONE NUMBER)

- Yes 1 (42)
 No 2 } SKIP TO QUESTION 22
 Don't know 8 }

21. Please indicate how Chapter 2 funds were targeted by checking the appropriate box (or boxes) for type of student and grade level. If funds were targeted at a particular type of student irrespective of grade level, please check all boxes in the appropriate row.

	Pre- Kindergarten	Kindergarten- Elementary	Middle School/ Junior High	High School	
a. Low-achieving students	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(43)
b. Students from low-income families	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(44)
c. Students from single-parent homes	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(45)
d. Students living in sparsely populated areas	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(46)
e. Students living in urban areas	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(47)
f. Students with disabilities	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(48)
g. Students from minority groups	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(49)
h. Limited-English-proficient (LEP) students	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(50)
i. Gifted and talented students	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(51)
j. All students at a particular grade level	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(52)
k. Other type of students (SPECIFY)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(53)

22. Many state education agencies are engaged in various reform efforts that may or may not be related to Chapter 2. For each of the reform activities below, please indicate:

- A. Whether your agency engaged in the activity in 1991-92 (whether or not it was funded by Chapter 2).
- B. Whether the activity was legislated or otherwise mandated in your state.
- C. Whether your agency used Chapter 2 funds from the 20% state set-aside to support the activity (in whole or in part) during 1991-92.

(CIRCLE THREE NUMBERS ON EACH LINE)

	A. SEA Engaged in Activity			B. Activity Was Mandated			C. Chapter 2 Funds Used		
	Yes	No	Don't Know	Yes	No	Don't Know	Yes	No	
	a. Systemic reform efforts (i.e., aligning reform across all components of educational system)	1	2	8	1	2	8	1	
b. Support for school-based restructuring efforts	1	2	8	1	2	8	1	2	(57)
c. Support for effective schools programs	1	2	8	1	2	8	1	2	(60)
d. Support for school improvement planning	1	2	8	1	2	8	1	2	(63)
e. Revising/developing curriculum frameworks that promote higher-order thinking skills	1	2	8	1	2	8	1	2	(66)
f. Revising/developing standards for student performance	1	2	8	1	2	8	1	2	(69)
g. Developing alternative measures of student achievement (e.g., performance assessment)	1	2	8	1	2	8	1	2	(72)
h. Alternative teacher and/or administrator certification	1	2	8	1	2	8	1	2	(75)
i. Establishing public-private partnerships	1	2	8	1	2	8	1	2	(6)

22. (Concluded)

	A. SEA Engaged in Activity			B. Activity Was Mandated			C. Chapter 2 Funds Used		
	Yes	No	Don't Know	Yes	No	Don't Know	Yes	No	
j. Activities related to the National Goal: "Readiness for School"	1	2	8	1	2	8	1	2	(9)
k. Activities related to the National Goal: "High School Completion"	1	2	8	1	2	8	1	2	(12)
l. Activities related to the National Goal: "Student Achievement and Citizenship"	1	2	8	1	2	8	1	2	(15)
m. Activities related to the National Goal: "Science and Mathematics Achievement"	1	2	8	1	2	8	1	2	(18)
n. Activities related to the National Goal: "Adult Literacy and Lifelong Learning"	1	2	8	1	2	8	1	2	(21)
o. Activities related to the National Goal: "Safe, Disciplined, and Effective Schools"	1	2	8	1	2	8	1	2	(24)
p. Activities related to AMERICA 2000 (e.g., AMERICA 2000 Communities, New American Schools)	1	2	8	1	2	8	1	2	(27)
q. Other educational reform activity (SPECIFY)	1	2	8	1	2	8	1	2	(30)

23. This question covers the full range of activities that your agency may support with Chapter 2 funds from the 20% state set-aside (including program development and/or direct program implementation). For each of the activities below, please indicate:

A. Whether your agency used Chapter 2 funds from the 20% state set-aside (partially or entirely) to support the activity in 1991-92.

B. If funded by Chapter 2, the targeted assistance area(s) (see key) under which it was funded.

	A. (CIRCLE ONE NUMBER)			B. (CIRCLE ALL THAT APPLY)						
	Not Funded by Chapter 2	Partially Funded by Chapter 2	Entirely Funded by Chapter 2	Targeted Assistance Area (See Key)						
Professional Development										
a. English/language arts	0	1	2	1	2	3	4	5	6	(33)
b. Mathematics	0	1	2	1	2	3	4	5	6	(35)
c. Science	0	1	2	1	2	3	4	5	6	(37)
d. Social science/history	0	1	2	1	2	3	4	5	6	(39)
e. Visual and performing arts	0	1	2	1	2	3	4	5	6	(41)
f. Use of technology in instruction	0	1	2	1	2	3	4	5	6	(43)
g. Library/media services	0	1	2	1	2	3	4	5	6	(45)
h. School climate/culture	0	1	2	1	2	3	4	5	6	(47)
i. Classroom management	0	1	2	1	2	3	4	5	6	(49)
j. Instructional strategies not linked to a curriculum area (e.g. cooperative learning)	0	1	2	1	2	3	4	5	6	(51)
k. Teacher centers/labs	0	1	2	1	2	3	4	5	6	(53)
l. School level planning and problem-solving	0	1	2	1	2	3	4	5	6	(55)
m. Instructional leadership	0	1	2	1	2	3	4	5	6	(57)
n. Other professional development (SPECIFY)	0	1	2	1	2	3	4	5	6	(59)
Programs Using Library or Other Instructional/Educational Materials										
a. Distance learning systems	0	1	2	1	2	3	4	5	6	(61)
b. Computer networks	0	1	2	1	2	3	4	5	6	(63)
c. Educational television	0	1	2	1	2	3	4	5	6	(65)
d. Repository for materials	0	1	2	1	2	3	4	5	6	(67)
e. Review of materials	0	1	2	1	2	3	4	5	6	(69)
f. Distribution of materials	0	1	2	1	2	3	4	5	6	(71)
g. Other materials-related programs (SPECIFY)	0	1	2	1	2	3	4	5	6	(73)

KEY: 1 = At-risk/high-cost student programs
2 = Instructional materials
3 = Innovative programs

4 = Professional development
5 = Programs enhancing personal excellence and achievement
6 = Programs enhancing school climate and educational programs

23. (Concluded)

	A. (CIRCLE ONE NUMBER)			B. (CIRCLE ALL THAT APPLY)						
	Not Funded by Chapter 2	Partially Funded by Chapter 2	Entirely Funded by Chapter 2	Targeted Assistance Area (See Key)						
Programs/Services for Students										
a. Preschool/school readiness	0	1	2	1	2	3	4	5	6	(6)
b. English/language arts	0	1	2	1	2	3	4	5	6	(8)
c. Mathematics	0	1	2	1	2	3	4	5	6	(10)
d. Science	0	1	2	1	2	3	4	5	6	(12)
e. Technology-based instruction	0	1	2	1	2	3	4	5	6	(14)
f. Social science/history	0	1	2	1	2	3	4	5	6	(16)
g. Visual and performing arts	0	1	2	1	2	3	4	5	6	(18)
h. Ethics	0	1	2	1	2	3	4	5	6	(20)
i. Gifted and talented	0	1	2	1	2	3	4	5	6	(22)
j. Health education	0	1	2	1	2	3	4	5	6	(24)
k. Health screening	0	1	2	1	2	3	4	5	6	(26)
l. Counseling services	0	1	2	1	2	3	4	5	6	(28)
m. Student assistance/study teams	0	1	2	1	2	3	4	5	6	(30)
n. Mentoring	0	1	2	1	2	3	4	5	6	(32)
o. Academic tutoring	0	1	2	1	2	3	4	5	6	(34)
p. Dropout prevention	0	1	2	1	2	3	4	5	6	(36)
q. Drug/alcohol abuse education	0	1	2	1	2	3	4	5	6	(38)
r. Youth suicide prevention	0	1	2	1	2	3	4	5	6	(40)
s. Other programs/services for students (SPECIFY)	0	1	2	1	2	3	4	5	6	(42)
Other Activities/Programs										
a. Programs to promote parent involvement	0	1	2	1	2	3	4	5	6	(44)
b. Increasing community involvement in education (e.g., business partnerships)	0	1	2	1	2	3	4	5	6	(46)
c. Other activities/programs (SPECIFY)	0	1	2	1	2	3	4	5	6	(48)

KEY: 1 = At-risk/high-cost student programs
 2 = Instructional materials
 3 = Innovative programs

4 = Professional development
 5 = Programs enhancing personal excellence and achievement
 6 = Programs enhancing school climate and educational programs

24. Which of the following changes did your agency make in the Chapter 2 program as a result of the 1988 Hawkins-Stafford Amendments?
(CIRCLE ALL THAT APPLY)

- Aligned staff assignments and/or funding of positions with Chapter 2 requirements 1 (50)
- Shifted away from "strengthening activities" (e.g., SEA administration) 2
- Discontinued funding of programs unrelated to school improvement..... 3
- Discontinued 100% Chapter 2 funding of state-mandated programs/services 4
- Put greater emphasis on effective schools programs 5
- Initiated new activities/programs in other targeted areas..... 6
- Increased emphasis on technical assistance to LEAs..... 7
- Increased emphasis on evaluation of Chapter 2 activities 8
- Other change (SPECIFY) _____ 0
- No specific changes were made 9
- Don't know 8 (51)

25. To what extent did each of the following factors influence how your agency used Chapter 2 funds from the 20% state set-aside in 1991-92?
(CIRCLE ONE NUMBER FOR EACH LINE)

Factor	Influenced Use of Funds					
	Not at All	Some	Quite a Bit	A Great Deal	Don't Know	
a. Requirements of the Chapter 2 program (e.g., target assistance areas)	1	2	3	4	8 ..	(52)
b. State priorities for educational reform	1	2	3	4	8	(53)
c. Other state priorities	1	2	3	4	8	(54)
d. Local needs and priorities	1	2	3	4	8	(55)
e. Past use of Chapter 2 funds	1	2	3	4	8	(56)
f. Input of Chapter 2 Advisory Committee	1	2	3	4	8	(57)
g. Unanticipated critical needs	1	2	3	4	8	(58)
h. Other (SPECIFY)	1	2	3	4	8	(59)

26. In 1991-92, how many of the following types of state education agency staff were supported by Chapter 2 funds from the 20% state set-aside to provide services under the targeted assistance areas? Please include Chapter 2 administrators who may have provided targeted assistance.

(PLEASE REPORT IN FTEs BY JOB TYPE TO THE NEAREST TENTH)

	FTEs	
a. Program/subject-area/grade-level specialist or coordinator		(60)
b. Trainers/staff development staff		(64)
c. School administration/leadership staff		(68)
d. Student services (e.g., counselors, social workers, home/school coordinators, nurses)		(72)
e. Materials/equipment specialists		(6)
f. Research and evaluation staff		(10)
g. Administrative staff		(14)
h. Program support staff (e.g., budgetary/fiscal, data processing, auditors)		(18)
i. Clerical staff (e.g., secretaries)		(22)
j. Other (SPECIFY) _____		(26)

D. TECHNICAL ASSISTANCE AND ACCOUNTABILITY FOR CHAPTER 2

27. Which of the following types of technical assistance did your agency provide to Chapter 2-funded LEAs in 1991-92?

(CIRCLE ALL THAT APPLY)

Information on how to apply for funds (formula or discretionary).....	1	(30)
Information about federal regulations and requirements	2	
Allowable uses of local Chapter 2 funds	3	
Services to private school students	4	
Guidance on reporting forms or what record-keeping procedures to maintain	5	
Staff development	6	
Needs assessment or other program development	7	
Assistance in carrying out projects	8	
Information dissemination on effective instructional practices (e.g., innovative programs)	9	
Program evaluation or arranging for an outside evaluation	0	
Other assistance (SPECIFY) _____	0	(31)

28. On the average, how often does your agency monitor and/or evaluate each Chapter 2-funded LEA using the following strategies?
 (ON EACH LINE, CIRCLE THE NUMBER FOR THE FREQUENCY THAT COMES CLOSEST TO YOUR SITUATION)

Strategy	More Often Than Yearly	Yearly	Every 2 Years	Every 3 Years	Less Often	Never Used Strategy	
On-site review	1	2	3	4	5	6	(32)
Telephone review	1	2	3	4	5	6	(33)
SEA evaluation study	1	2	3	4	5	6	(34)
Review of LEA evaluation	1	2	3	4	5	6	(35)
Review of LEA application	1	2	3	4	5	6	(36)
Review of other LEA documentation	1	2	3	4	5	6	(37)
Other (SPECIFY)	1	2	3	4	5	6	(38)

29. In what ways have the results of your agency's Chapter 2 Evaluation of Effectiveness been used?
 (CIRCLE ALL THAT APPLY)

For state planning/decisionmaking about priorities for state set-aside funds	1	(39)
For state planning/decisionmaking about technical assistance to LEAs.....	2	
For state planning/decisionmaking about discretionary grants	3	
To prepare reports for the State Board of Education	4	
To provide feedback to other state staff/representatives (e.g., state legislators).....	5	
To provide feedback to local Chapter 2 program participants	6	
To provide feedback to private school representatives	7	
To provide information for the reauthorization of Chapter 2	8	
To disseminate information to the public about Chapter 2 programs.....	9	
To initiate further evaluation or research studies	0	
Used in other ways (SPECIFY)		
_____	0	(40)
Don't know	8	

30. When your agency has a question or concern about some aspect of Chapter 2, which of the following approaches are you most likely to use?
(CIRCLE ALL THAT APPLY)

Telephone federal Chapter 2 program officer directly.....	1	(41)
Write to Chapter 2 staff for information	2	
Review question/concern with program officer during site visit.....	3	
Review published guidelines or other information about Chapter 2 (e.g., nonregulatory guidelines)	4	
Consult with a Chapter 2 colleague in another state	5	
Consult with staff in your own agency	6	
Consult with a member of the state Chapter 2 Advisory Committee	7	
Consult with state or federal legislative staff	8	
Other approach (SPECIFY)	0	

31. In which of the following areas did your agency receive assistance from federal Chapter 2 program staff in 1991-92?
(CIRCLE ALL THAT APPLY)

SEA program administration (e.g., applications, reporting)	1	(42)
Questions initiated by LEAs regarding Chapter 2 program operations	2	
Allocation of Chapter 2 funds to LEAs (i.e., state funding formula)	3	
Services for private school students	4	
Targeted use of funds	5	
Waiver of effective schools requirement	6	
State evaluation activities.....	7	
SEA approach to technical assistance and/or monitoring.....	8	
Other issues (SPECIFY)	0	

32. How satisfied or dissatisfied do you feel about the following aspects of your interaction with the federal Chapter 2 program office in 1991-92?
(CIRCLE ONE NUMBER ON EACH LINE)

	Very Dissatisfied	Somewhat Dissatisfied	Neither Satisfied Nor Dissatisfied	Somewhat Satisfied	Very Satisfied	Does Not Apply	
a. Advance information on grant awards	1	2	3	4	5	0	(43)
b. Guidance in operating your Chapter 2 program	1	2	3	4	5	0	(44)
c. Guidance in interpreting Chapter 2 legislation	1	2	3	4	5	0	(45)
d. Guidance in preparing your annual report	1	2	3	4	5	0	(46)
e. Guidance in conducting your Evaluation of Effectiveness	1	2	3	4	5	0	(47)
f. Feedback on information you have submitted to the Chapter 2 program office	1	2	3	4	5	0	(48)
g. Assistance provided through the on-site visit conducted by your program officer	1	2	3	4	5	0	(49)

(CIRCLE "0" IF NO SITE VISIT IN 1991-92)

33. Do you have any comments you would like to make?

PLEASE REMEMBER TO ENCLOSE A COPY OF YOUR STATE'S ALLOCATION FORMULA FOR DISTRIBUTING CHAPTER 2 FUNDS TO LEAs FOR THE 1991-92 PROGRAM YEAR.

Thank you for giving this questionnaire your thoughtful attention.
Please use the enclosed postage-paid envelope to return the completed questionnaire to:

Sharon Williams
Chilton Research Services
Radnor, PA 19089

Appendix C
DISTRICT SURVEY



OMB No. 1875-0085
Approval expires 11/30/94

October 1992

Dear Colleague:

SRI International, under contract to the U.S. Department of Education, is conducting a nationwide study of Chapter 2. The study will inform Congress about what Chapter 2 funds mean to school districts.

For the purpose of this study, "Chapter 2" refers to the Federal, State and Local Partnership for Educational Improvement reauthorized under the Hawkins-Stafford Elementary and Secondary School Improvement Amendments of 1988 (P.L. 100-297). "ECIA" (Education Consolidation and Improvement Act) refers to the initial block grant program that became effective in the 1982-83 school year.

Your district is part of a randomly drawn national sample of school districts that receive Chapter 2 funds. Although your participation is voluntary, your reply is of great importance to the accuracy of the survey. Therefore, please complete and return the questionnaire, even if your district receives only a relatively small amount of Chapter 2 funds.

Your answers will be kept strictly confidential and will be reported only in aggregated form. An ID number appears on the questionnaire to allow us to cross your district off our mailing list once we have received your responses.

We are aware of the many demands on your time, but would appreciate your completing this questionnaire as soon as possible and returning it directly in the enclosed business-reply envelope. If you have any questions or comments concerning this study, please don't hesitate to contact me at (415) 859-3908.

Thank you for your help.

Sincerely,

A handwritten signature in cursive script that reads "Christine Padilla".

Christine Padilla
Survey Director
National Study of Chapter 2
SRI International

SRI International





333 Ravenswood Ave. • Menlo Park, CA 94025 • (415) 326-6200 • Cable: SRI INTL MNP • TWX: 910-373-1246

DISTRICT SURVEY OF CHAPTER 2

PLEASE NOTE:

In this survey we are interested in your district's experience with Chapter 2, the federal program designed to provide school districts with a flexible source of funds to improve their elementary and secondary educational programs. Before you begin to answer questions, please take a moment to read this important information.

DIRECTIONS

-  Please read all questions and instructions carefully. Answer the questions by circling the appropriate number or writing in the answer, if requested to do so. It is important that you limit your response to *one* alternative for questions that direct you to "CIRCLE ONE." We cannot use your answer if it is in between two responses or if you change the wording of the question in any way.
-  In answering questions requiring a dollar amount or a percentage, please provide the most accurate data available. If you are unsure about a figure, give your best *single* estimate. Please write in "0" if your answer means "none." Do not leave any lines blank.
-  Questions set off by a box may not apply to your Chapter 2 activities. The question prior to the box is designed to branch you to particular follow-up questions. Please read these questions thoroughly and follow the branching instructions.
-  Unless otherwise noted, questions refer to the 1991-92 school year.

NOTICE

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Education, Information Management and Compliance Division, Washington, D.C. 20202-4651; and to the Office of Management and Budget, Paperwork Reduction Project 1875-NEW, Washington, D.C. 20503.

A. CHAPTER 2 ALLOCATIONS


1. Please write in the amount of funds your district was allocated for Chapter 2 activities for the 1991-92 school year. Enter Chapter 2 formula funds allocated by the state on line (a) and any additional Chapter 2 discretionary funds (e.g., state competitive grants under Chapter 2) awarded to your district on line (b).

	<u>1991-92</u>	
a. Chapter 2 funds allocated by the state	\$ _____	(6)
b. Additional Chapter 2 discretionary/competitive funds	\$ _____	(14)
Total Chapter 2 Funds Allocated	\$ _____	(22)

2. How much of your Chapter 2 funds were carried over from the 1990-91 school year to the 1991-92 school year?
(ENTER "0" IF NO FUNDS WERE CARRIED OVER.)

Funds carried over from the 1990-91 school year	\$ _____	(30)
---	----------	------

3. Please write in the amount of Chapter 2 funds your district allocated to each of the following targeted assistance areas for the 1991-92 school year.

 Report only the public school share of your district's Chapter 2 funds (i.e., do not include Chapter 2 funds allocated to serve private school students).

 Report formula funds, discretionary/competitive funds, and any carryover funds from 1990-91 together.

	<u>1991-92</u>	
1. Programs to serve students at risk or whose education entails higher-than-average cost.....	\$ <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>	(37)
2. Programs to acquire and use:		
a. Library materials.....		(45)
b. Computer software/hardware.....		(53)
c. Other instructional/educational materials		(61)
3. Innovative programs:		
a. Schoolwide improvement		(69)
b. Effective schools programs		(6)
4. Programs of training and professional development		(14)

3. (Concluded)

	1991-92	
5. Programs to enhance personal excellence and student achievement:		
a. Ethics	\$	(22)
b. Performing and creative arts		(30)
c. Humanities		(38)
d. Physical fitness		(46)
e. Comprehensive health education		(54)
f. Community service		(62)
g. Other (SPECIFY) _____		(70)
6. Programs to enhance school climate and educational programs:		
a. Gifted and talented programs		(6)
b. Technology education		(14)
c. Early childhood education		(22)
d. Community education		(30)
e. Youth suicide prevention		(38)
f. Other (SPECIFY) _____		(46)
7. Administration of the Chapter 2 program		(54)
Total 1991-92 Chapter 2 Allocation (Public school share)	\$	(62)



The total amounts reported in Questions 3 and 27 (private school allocation) should sum to the same total as reported in Question 1.

4A. How many of each of the following kinds of public schools were there in your district as of Fall 1991?

4B. How many of each of the following kinds of public schools in your district received any kind of Chapter 2 funds during the 1991-92 school year?

	A. Total Number of Public Schools Fall 1991	B. Number of Public Schools That Received Chapter 2 Funds	
1. Prekindergarten or kindergarten (if separate from elementary school)	_____	_____	(6)
2. Elementary	_____	_____	(12)
3. Intermediate/middle/junior high	_____	_____	(18)
4. High school	_____	_____	(24)
5. Alternative schools and other types of schools	_____	_____	(30)
Total Number of Schools in District..... (Items 1 through 5 above)	_____	_____	(36)

5. How did your district distribute its 1991-92 Chapter 2 allocation to fund programs/activities?
(CIRCLE ALL THAT APPLY)

- Funded districtwide programs that were available to all schools 1 (44)
- Schools applied to the district for Chapter 2 funds (e.g., grants were awarded) 2
- Funds were distributed to all schools based on some formula
(e.g., size of enrollment) 3
- Funds were targeted to particular schools to address certain needs 4
- Distributed on some other basis (SPECIFY) _____ 0
- _____ 0
- Don't know 8

6. In which of the following ways did you use your 1991-92 Chapter 2 funds to support educational programs in your district?
(CIRCLE ALL THAT APPLY)

Supplement to the district budget for nonprogram items (e.g., books, equipment purchases)	1	(45)
Continuation of existing Chapter 2 programs	2	
Seed money for new programs that will eventually derive some or all of their funds from other sources	3	
Full support for new programs	4	
Expansion of programs initiated with funds from other sources	5	
Don't know	8	

7. Which of the following funding sources were explicitly coordinated with Chapter 2 funds to achieve district priorities or requirements during the 1991-92 school year?
(CIRCLE ALL THAT APPLY)

State Chapter 2 funds	1	(46)
Chapter 1 funds	2	
Other federal funds.....	3	
Specially earmarked state funds.....	4	
Private foundation grants	5	
Business partnership grants.....	6	
Regular district budget	7	
Other (SPECIFY) _____	0	
Chapter 2 funds were not used in conjunction with any other funds	9	
Don't know	8	

8. To what extent did your district change its use of Chapter 2 funds (e.g., programs/ activities funded by Chapter 2) as a result of the 1988 Hawkins-Stafford Amendments?*
- (CIRCLE ONE NUMBER)

- | | | | |
|--------------------|---|-----------------------|------|
| Not at all..... | 1 | → SKIP TO QUESTION 10 | (47) |
| Some..... | 2 | | |
| Quite a bit..... | 3 | | |
| A great deal | 4 | | |
| Don't know | 8 | → SKIP TO QUESTION 10 | |

ANSWER QUESTION 9 ONLY IF YOUR USE OF CHAPTER 2 FUNDS CHANGED BECAUSE OF THE AMENDMENTS

9. Which of the following changes did your district make as a result of the 1988 Hawkins-Stafford Amendments?
- (CIRCLE ALL THAT APPLY)

- | | | |
|---|---|------|
| Aligned staff assignments and/or funding of positions with Chapter 2 requirements | 1 | (48) |
| Discontinued funding of programs unrelated to school improvement..... | 2 | |
| Put greater emphasis on effective schools programs | 3 | |
| Initiated new activities/programs in other targeted areas..... | 4 | |
| Other change (SPECIFY) | 0 | |

B. STUDENTS AND ACTIVITIES SUPPORTED BY CHAPTER 2

10. Did your district specifically target 1991-92 Chapter 2 funds to serve any particular group of students (e.g., middle grades, low achieving)?
- (CIRCLE ONE NUMBER)

- | | | | |
|------------------|---|-----------------------|------|
| Yes | 1 | | (49) |
| No..... | 2 | } SKIP TO QUESTION 12 | |
| Don't know | 8 | | |

* The last reauthorization of Chapter 2 established the six targeted areas and placed a special emphasis on effective schools programs.

DO NOT ANSWER QUESTION 11 IF YOU HAVE USED CHAPTER 2 FUNDS TO SERVE ALL STUDENTS IN THE DISTRICT

11. Please indicate how Chapter 2 funds were targeted by checking the appropriate box (or boxes) for type of student and grade level. If funds were targeted at a particular type of student irrespective of grade level, please check all boxes in the appropriate row.

	<u>Pre- Kindergarten</u>	<u>Kindergarten- Elementary</u>	<u>Middle School/ Junior High</u>	<u>High School</u>	
a. Low-achieving students	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(50)
b. Students from low-income families	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(51)
c. Students from single-parent homes	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(52)
d. Students living in sparsely populated areas	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(53)
e. Students living in urban areas	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(54)
f. Students with disabilities	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(55)
g. Students from minority groups	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(56)
h. Limited-English-proficient (LEP) students	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(57)
i. Gifted and talented students	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(58)
j. All students at a particular grade level	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(59)
k. Other type of students (SPECIFY)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	(60)

12. Many districts are engaged in various reform efforts which may or may not be related to Chapter 2. For each of the reform activities below, please indicate:
- A. Whether your district engaged in the activity during the 1991-92 school year (whether or not it was funded by Chapter 2).
 - B. Whether the activity was legislated or otherwise mandated in your state.
 - C. Whether your district used Chapter 2 funds to support the activity (in whole or in part) during the 1991-92 school year.

(CIRCLE THREE NUMBERS ON EACH LINE)

	A.			B.			C.		
	LEA Engaged in Activity			Activity Was Mandated			Chapter 2 Funds Used		
	Yes	No	Don't Know	Yes	No	Don't Know	Yes	No	
a. Systemic reform efforts (i.e., aligning reform across all components of educational system)	1	2	8	1	2	8	1	2	(61)
b. Support for school-based restructuring efforts	1	2	8	1	2	8	1	2	(64)
c. Support for effective schools programs	1	2	8	1	2	8	1	2	(67)
d. Support for school improvement planning	1	2	8	1	2	8	1	2	(70)
e. Revising/developing curriculum frameworks that promote higher-order thinking skills	1	2	8	1	2	8	1	2	(73)
f. Revising/developing standards for student performance	1	2	8	1	2	8	1	2	(76)
g. Developing alternative measures of student achievement (e.g., performance assessment)	1	2	8	1	2	8	1	2	(6)
h. Establishing public-private partnerships	1	2	8	1	2	8	1	2	(9)
i. Activities related to the National Goal: "Readiness for School"	1	2	8	1	2	8	1	2	(12)
j. Activities related to the National Goal: "High School Completion"	1	2	8	1	2	8	1	2	(15)
k. Activities related to the National Goal: "Student Achievement and Citizenship"	1	2	8	1	2	8	1	2	(18)
l. Activities related to the National Goal: "Science and Mathematics Achievement"	1	2	8	1	2	8	1	2	(21)
m. Activities related to the National Goal: "Adult Literacy and Lifelong Learning"	1	2	8	1	2	8	1	2	(24)
n. Activities related to the National Goal: "Safe, Disciplined, and Drug-Free Schools"	1	2	8	1	2	8	1	2	(27)
o. Activities related to AMERICA 2000 (e.g., AMERICA 2000 Communities, New American Schools)	1	2	8	1	2	8	1	2	(30)
p. Other educational reform activity (SPECIFY)	1	2	8	1	2	8	1	2	(33)

13. This question covers the full range of activities that your district may support with Chapter 2 funds (including program development and/or direct program implementation). For each of the activities below, please indicate:

A. Whether your district used Chapter 2 funds to support the activity (partially or entirely) during the 1991-92 school year.

B. If funded by Chapter 2, the targeted assistance area(s) (see key) under which it was funded.

	A. (CIRCLE ONE NUMBER)			B. (CIRCLE ALL THAT APPLY)						
	Not Funded by Chapter 2	Partially Funded by Chapter 2	Entirely Funded by Chapter 2	Targeted Assistance Area (See Key)						
Professional Development										
a. English/language arts	0	1	2	1	2	3	4	5	6	(36)
b. Mathematics	0	1	2	1	2	3	4	5	6	(38)
c. Science	0	1	2	1	2	3	4	5	6	(40)
d. Social science/history	0	1	2	1	2	3	4	5	6	(42)
e. Visual and performing arts	0	1	2	1	2	3	4	5	6	(44)
f. Use of technology in instruction	0	1	2	1	2	3	4	5	6	(46)
g. Library/media services	0	1	2	1	2	3	4	5	6	(48)
h. School climate/culture	0	1	2	1	2	3	4	5	6	(50)
i. Classroom management	0	1	2	1	2	3	4	5	6	(52)
j. Instructional strategies not linked to a curriculum area (e.g., cooperative learning)	0	1	2	1	2	3	4	5	6	(54)
k. Teacher centers/labs	0	1	2	1	2	3	4	5	6	(56)
l. School-level planning and problem-solving	0	1	2	1	2	3	4	5	6	(58)
m. Instructional leadership	0	1	2	1	2	3	4	5	6	(60)
n. Other professional development (SPECIFY)	0	1	2	1	2	3	4	5	6	(62)
Programs/Services for Students										
a. Preschool/school readiness	0	1	2	1	2	3	4	5	6	(6)
b. English/language arts	0	1	2	1	2	3	4	5	6	(8)
c. Mathematics	0	1	2	1	2	3	4	5	6	(10)

KEY: 1 = At-risk/high-cost student programs
2 = Instructional materials
3 = Innovative programs

4 = Professional development
5 = Programs enhancing personal excellence and achievement
6 = Programs enhancing school climate and educational programs

13. (Concluded)

	A. (CIRCLE ONE NUMBER)			B. (CIRCLE ALL THAT APPLY)						
	Not Funded by Chapter 2	Partially Funded by Chapter 2	Entirely Funded by Chapter 2	Targeted Assistance Area (See Key)						
Programs/Services for Students (Concluded)										
d. Science	0	1	2	1	2	3	4	5	6	(12)
e. Technology-based instruction	0	1	2	1	2	3	4	5	6	(14)
f. Social science/history	0	1	2	1	2	3	4	5	6	(16)
g. Visual and performing arts	0	1	2	1	2	3	4	5	6	(18)
h. Ethics	0	1	2	1	2	3	4	5	6	(20)
i. Gifted and talented	0	1	2	1	2	3	4	5	6	(22)
j. Health education	0	1	2	1	2	3	4	5	6	(24)
k. Health screening	0	1	2	1	2	3	4	5	6	(26)
l. Counseling services	0	1	2	1	2	3	4	5	6	(28)
m. Student assistance/study teams	0	1	2	1	2	3	4	5	6	(30)
n. Mentoring	0	1	2	1	2	3	4	5	6	(32)
o. Academic tutoring	0	1	2	1	2	3	4	5	6	(34)
p. Dropout prevention	0	1	2	1	2	3	4	5	6	(36)
q. Drug/alcohol abuse education	0	1	2	1	2	3	4	5	6	(38)
r. Youth suicide prevention	0	1	2	1	2	3	4	5	6	(40)
s. Other programs/services for students (SPECIFY)	0	1	2	1	2	3	4	5	6	(42)
Other Activities/Programs										
a. Programs to promote parent involvement	0	1	2	1	2	3	4	5	6	(44)
b. Increasing community involvement in education (e.g., business partnerships)	0	1	2	1	2	3	4	5	6	(46)
c. Other activities/programs (SPECIFY)	0	1	2	1	2	3	4	5	6	(48)

KEY: 1 = At-risk/high-cost student programs
 2 = Instructional materials
 3 = Innovative programs

4 = Professional development
 5 = Programs enhancing personal excellence and achievement
 6 = Programs enhancing school climate and educational programs

IF NO STAFF DEVELOPMENT WAS SUPPORTED BY CHAPTER 2, PLEASE CHECK HERE AND SKIP TO QUESTION 15.

(50)

14. To what extent was each of the following types of staff included in Chapter 2-funded staff development activities during the 1991-92 school year?
(CIRCLE ONE NUMBER FOR EACH LINE)

Staff	Included in Staff Development				
	Not at All	Some	Quite a Bit	A Great Deal	Don't Know
a. Superintendent (and/or area superintendents)	1	2	3	4	8
b. Other district-level staff or administrators	1	2	3	4	8
c. School-level administrators	1	2	3	4	8
d. Certificated classroom teachers	1	2	3	4	8
e. Specialist teachers	1	2	3	4	8
f. Paraprofessionals/classroom aides	1	2	3	4	8
g. Other service providers (e.g., psychologists, guidance counselors)	1	2	3	4	8
h. Teachers with provisional credentials	1	2	3	4	8
i. Other (SPECIFY)	1	2	3	4	8

(51)

(52)

(53)

(54)

(55)

(56)

(57)

(58)

(59)

IF NO MATERIALS/EQUIPMENT WERE PURCHASED WITH CHAPTER 2 FUNDS, PLEASE CHECK HERE AND SKIP TO QUESTION 17.

(60)

15. What types of materials and/or equipment did Chapter 2 funds pay for during the 1991-92 school year?
(CIRCLE ALL THAT APPLY)

Computer hardware or software	1	→ (ANSWER QUESTION 16)
Telecommunications equipment	2	
Videodisk equipment	3	
Audiovisual equipment or materials	4	
Other equipment (SPECIFY)	5	

Textbooks	6	
Reference or other library books	7	
Other materials and supplies (SPECIFY)	0	

Don't know	8	

(61)

ANSWER QUESTION 16 ONLY IF COMPUTER HARDWARE OR SOFTWARE WAS PURCHASED (Q15=1)

16. How was this Chapter 2-funded computer hardware or software *mainly* used?
(CIRCLE ALL THAT APPLY)

- | | | |
|---|---|------|
| For computer literacy/programming courses | 1 | (62) |
| For drill and practice in noncomputer courses | 2 | |
| For instruction (e.g., science projects, writing practice, higher-order thinking skills)..... | 3 | |
| For information retrieval (e.g., electronic data bases, computerized references) | 4 | |
| For instructional management..... | 5 | |
| For administrative purposes | 6 | |
| To upgrade/replace current computer equipment | 7 | |
| Other (SPECIFY) _____ | 0 | |

C. IMPACT OF CHAPTER 2 FUNDS

17. To what extent were Chapter 2-funded activities related to district priorities for the 1991-92 school year?

(CIRCLE ONE NUMBER)

- | | | |
|--------------------|---|------|
| Not at all..... | 1 | (63) |
| Some..... | 2 | |
| Quite a bit..... | 3 | |
| A great deal | 4 | |
| Don't know | 8 | |

18. What, if anything, has Chapter 2 accomplished for your district's overall educational program?

(CIRCLE ALL THAT APPLY)

- Exposed students to new materials or technology 1 (64)
- Helped lead to improved student performance 2
- Provided students with more or better services 3
- Helped to serve particular student groups (e.g., minorities, gifted and talented, dropouts)..... 4
- Allowed district to initiate new types of programs; stimulated innovation 5
- Allowed district to continue useful programs 6
- Paid for additional staff..... 7
- Improved district staff's qualifications 8
- Improved district staff's morale 9
- Improved administration..... 0
- Provided funds to spend on local priorities..... 1 (65)
- Provided funds to spend on state priorities 2
- Provided funds to spend on national education goals 3
- Other accomplishments (SPECIFY) _____ 0
- Did not accomplish much of anything for the district 4
- Don't know 8

D. MANAGEMENT OF CHAPTER 2

19. To what extent did each of the following groups influence decisions regarding the use of Chapter 2 funds for the 1991-92 school year?

(CIRCLE ONE NUMBER FOR EACH LINE)

Groups	Influenced Decisions					
	Not at All	Minimally	Moderately	A Great Deal	Don't Know	
a. State agency staff	1	2	3	4	8	(66)
b. Chapter 2 coordinator	1	2	3	4	8	(67)
c. Other district staff	1	2	3	4	8	(68)
d. School board members	1	2	3	4	8	(69)
e. School administrators	1	2	3	4	8	(70)
f. Teachers/teacher unions	1	2	3	4	8	(71)
g. Parents/parent groups	1	2	3	4	8	(72)
h. Community representatives	1	2	3	4	8	(73)
i. Regional or intermediate unit	1	2	3	4	8	(74)
j. Other (SPECIFY) _____	1	2	3	4	8	(75)

ANSWER QUESTION 20 ONLY IF YOUR STATE HAS INFLUENCED YOUR DISTRICT'S USE OF CHAPTER 2 FUNDS

20. Which aspects of your district's use of Chapter 2 funds has the state influenced?
(CIRCLE ALL THAT APPLY)

- | | | |
|---|---|------|
| Choice of programs/purchases | 1 | (76) |
| The types of students served | 2 | |
| The types of services for private school students | 3 | |
| Arrangements for consultation with the community..... | 4 | |
| District evaluation requirements | 5 | |
| The mechanics of applying for funds (local or state grants) | 6 | |
| District record keeping | 7 | |
| District monitoring practices..... | 9 | |
| Other (SPECIFY)_____ | 0 | |
| Don't know | 8 | |

21. When your district has a question or concern about some aspect of Chapter 2, which of the following approaches are you most likely to use?

(CIRCLE ALL THAT APPLY)

- | | | |
|--|---|------|
| Telephone federal Chapter 2 program officer directly..... | 1 | (77) |
| Consult with the state Chapter 2 program office | 2 | |
| Review published guidelines or other information about Chapter 2
(e.g., nonregulatory guidance) | 3 | |
| Consult with a Chapter 2 colleague in another district | 4 | |
| Consult with staff in your own district..... | 5 | |
| Consult with a member of the state Chapter 2 Advisory Committee | 6 | |
| Consult with state or federal legislative staff | 7 | |
| Other approach (SPECIFY)_____ | 0 | |

22. In which of the following areas did you receive assistance from state Chapter 2 program staff in the 1991-92 school year?

(CIRCLE ALL THAT APPLY)

Information on how to apply for funds (formula or discretionary).....	1	(78)
Information about federal regulations and requirements	2	
Allowable uses of local Chapter 2 funds	3	
Services to private school students	4	
Guidance on reporting forms or what record-keeping procedures to maintain	5	
Staff development	6	
Needs assessment or other program development	7	
Assistance in carrying out projects	8	
Information dissemination on effective instructional practices (e.g., innovative programs)	9	
Program evaluation or arranging for an outside evaluation	0	
Other assistance (SPECIFY) _____	0	(79)
Don't know	8	

23. What aspects of your district's Chapter 2 program were evaluated for the 1991-92 school year?

(CIRCLE ALL THAT APPLY)

No evaluation was conducted	9	→ SKIP TO QUESTION 26	(6)
All uses of Chapter 2 funds	1		
Programs to serve at-risk students	2		
Equipment and materials purchases	3		
Schoolwide improvement efforts or effective schools programs.....	4		
Staff development activities	5		
Programs to enhance personal excellence/ achievement, instruction, or school climate.....	6		
State discretionary grant program(s).....	7		
Other (SPECIFY) _____	0		
Don't know	8		

ANSWER QUESTIONS 24 AND 25 ONLY IF YOUR DISTRICT HAS EVALUATED CHAPTER 2-SUPPORTED ACTIVITIES

24. What methods of data collection did your district use to evaluate Chapter 2-supported activities?

(CIRCLE ALL THAT APPLY)

- | | | |
|---|---|-----|
| Compiled statistics describing purchases or participants in Chapter 2-supported programs | 1 | (7) |
| Collected informal feedback or anecdotal evidence regarding the outcomes of Chapter 2-supported programs..... | 2 | |
| Summarized self-evaluations conducted by schools or grant recipients | 3 | |
| Described exemplary programs | 4 | |
| Conducted formal evaluation study (e.g., measured outcomes using surveys or case studies) | 5 | |
| Other methods (SPECIFY) _____ | 0 | |

25. In what ways have the results of your district evaluation been used?

(CIRCLE ALL THAT APPLY)

- | | | |
|---|---|-----|
| For planning/decisionmaking about priorities for Chapter 2 funds | 1 | (8) |
| For planning/decisionmaking about technical assistance to schools | 2 | |
| For planning/decisionmaking about local grant recipients | 3 | |
| To prepare reports for the local Board of Education | 4 | |
| To provide feedback to other district/school staff | 5 | |
| To provide feedback to private school representatives..... | 6 | |
| To disseminate information to the public about Chapter 2 programs | 7 | |
| To initiate further evaluation or research studies | 8 | |
| Used in other ways (SPECIFY) _____ | 0 | |
| Don't know | 8 | (9) |


E. SERVICES FOR PRIVATE SCHOOL STUDENTS

26. What was the total number of nonprofit private schools within your district's boundaries that were eligible to participate in Chapter 2 as of Fall 1991?

Total number of eligible private schools _____ → IF "0", SKIP TO QUESTION 32 (10)

27. Please write in the total amount of Chapter 2 funds that your district allocated to serve private school students in 1991-92. (Include any funds you may keep for administering services to private school students.)

1991-92 school year private school allocation \$ _____ (13)

 The total amounts reported in Questions 3 (public school funds) and 27 (private school funds) should sum to the same amount as the total reported in Question 1.

ANSWER QUESTIONS 28-31 ONLY IF CHAPTER 2 FUNDS WERE ALLOCATED TO SERVE PRIVATE SCHOOL STUDENTS DURING THE 1991-92 SCHOOL YEAR

28. Of the private schools indicated in Question 26, how many participated in Chapter 2 during the 1991-92 school year?

Total number of private schools that participated in Chapter 2 _____ (20)

29. What purchases/programs for private school students have been supported with Chapter 2 funds during the 1991-92 school year?

(CIRCLE ALL THAT APPLY)

- Programs to meet the educational needs of students at risk of failure in school 1 (23)
- Computer hardware or software purchases 2
- Instructional resource support (materials or equipment, other than computers, for libraries, media centers, or other departments) 3
- Innovative programs designed to carry out schoolwide improvements (e.g., school-level planning, principal leadership, student assessment)..... 4
- Staff development 5
- Programs to enhance the personal excellence of all students (e.g., performing arts, PE, health education) 6
- Innovative projects to enhance the educational programs of the school (e.g., technology education, early childhood education, suicide prevention) 7
- Other (SPECIFY) _____ 0
- Don't know 8

30. Has your district specified any of the following limitations regarding private schools' use of Chapter 2 funds?

(CIRCLE ALL THAT APPLY)

- | | | |
|--|---|------|
| Cannot pay for personnel | 1 | (24) |
| Can be used only for books, materials, or equipment | 2 | |
| Can be used only for secular purposes | 3 | |
| Must be used for the same things as provided to public school students under Chapter 2 | 4 | |
| Other guidance (SPECIFY) _____ | 0 | |
| District has not limited private schools' use of Chapter 2 funds in any way | 5 | |
| Don't know | 8 | |

31. Which of the following does your district do to monitor Chapter 2 purchases or activities in private schools?

(CIRCLE ALL THAT APPLY)

- | | | |
|---|---|------|
| Requires private schools to sign assurances of nondiscrimination | 1 | (25) |
| Checks nonprofit status of private schools | 2 | |
| Checks purchases/activities of private schools for secular nature/use | 3 | |
| Checks that Chapter 2 purchases/activities benefit students, not schools | 4 | |
| Checks that Chapter 2 purchases/activities are supplementing, not supplanting | 5 | |
| Investigates private schools' maintenance of effort | 6 | |
| Other monitoring activities (SPECIFY) _____ | 0 | |
| District doesn't monitor private schools; private school involvement is handled by some other agency (e.g., intermediate unit, SEA) | 7 | |
| Don't know | 8 | |

PLEASE CONTINUE TO NEXT PAGE

F. DISTRICT BACKGROUND INFORMATION

32. Please write in the number of students in grades K-12 who were enrolled in your district during the 1991-92 school year in each of the following ethnic groups. (GIVE YOUR BEST ESTIMATE)

	<u>Number of Students</u>	
a. American Indian or Alaskan Native	_____	(26)
b. Asian or Pacific Islander.....	_____	(33)
c. Hispanic	_____	(40)
d. Black (not of Hispanic origin)	_____	(47)
e. White (not of Hispanic origin).....	_____	(54)
Total District K-12 Enrollment (1991-92)	_____	(61)

33. Please write in the number of students enrolled in your district during the 1991-92 school year who (a) were eligible for free or reduced-price lunch programs or (b) were from low-income families (AFDC recipients). (GIVE YOUR BEST ESTIMATE)

a. Number of students eligible for free/reduced-price lunch (1991-92)	_____	(6)
b. Number of students from low-income families (AFDC count)	_____	(13)

Thank you for giving this questionnaire your thoughtful attention.
Please use the enclosed postage-paid envelope to return the completed questionnaire to:

Sharon Williams
Chilton Research Services
Radnor, PA 19089

Appendix D

QUALITATIVE CODES USED IN ANALYZING CASE STUDY REPORTS

QUALITATIVE CODES USED IN ANALYZING CASE STUDY REPORTS

Code Word	Case Study Section/Concept
A&G	SEA/LEA authority and governance
ACCOUNT	accountability
ACT	Ch. 2 activities
ADDED	other sources/types of technical assistance
ADMIN 1	general administration
ADMIN 2	admin structure
ADVISE	state advisory committee
APPLY	application process
ATTACH	attachments available
ASSS	annual expenditures
BARRIER	barriers to best use of Ch. 2
BOGUS	inappropriately coded target areas
BURDEN	impact of required private school participation
CONTEXT	SEA/LEA context
DECIDE	Ch. 2 decisionmaking
EFFECTS	perception of outcomes
EVAL	evaluation
EXTERNAL	external influences on use of Ch. 2
FEDS	federal support
FEDTA	perceptions of federal technical assistance
FINANCE	school finance
FLEX	example of Ch. 2 flexibility
FOCUS	SEA/LEA priorities
FUNDS	breakout of funds
GRANTS	state discretionary grants
HISTORY	history and rationale
HOW	use of funds
HS	changes in Chapter 2
HSPRI	impact of amendments on private school student participation
IMP	example of educational improvement
INVOLVE	involving private schools

Code Word	Case Study Section/Concept
JOINT	coordination
LINK	relation to reform
LOAD	effects on administrative burden (either way)
MINI	minigrants issued by LEA
MONITOR	monitoring/accountability
ORG	organizational placement of Ch. 2 in state and local agencies
PLANS	new trends
POWER	decisionmaking authority
PROCESS	decisionmaking processes
QUOTE	quotable quote
REFORM	state/local reform
REGULAR	ways Ch. 2 supports regular program
ROLES	SEA/LEA roles
SCHOOLS	role of schools in budget
SCH/COM	school/community involvement
SERVICES	effect of LEA expenditures
S/L DEC	state/local decisionmaking
S/L HOW	comparison to LEA/SEA
S/L \$\$\$	SEA/LEA expenditures
SOURCES	funding mechanisms for LEAs
STAR	innovative uses/exemplary program, good example of target area activity
START-UP	pilot/seed projects
STATS	SEA/LEA ed indicators
STANCE	SEA perceptions of federal staff or LEA perceptions of state/federal staff
ST/FEDS	state and federal support
ST/FEDTA	perceptions of state/federal technical assistance
SUM	summary section
SUPP	supplement-not-supplant
TA1	general Ch. 2 technical assistance
TA2	definition/types of technical assistance
TARGET	targeting students/high-cost students
THEMES	spending patterns
USE	use of data
VALUE	absence of Chapter 2

Appendix E

LOCAL CASE STUDY CHAPTER 2 ACTIVITIES BY SITE

LOCAL CASE STUDY CHAPTER 2 ACTIVITIES BY SITE

Local Site	Activity
Leland	Professional development consistent with district priorities
Leland	Library materials, instructional equipment, computer maintenance
Leland	<i>Artist-in-Residence</i>
Leland	<i>Mariachi Program</i>
Leland	<i>One Computer Classroom</i> : equipment, software, related professional development
Leland	<i>Kids Network</i>
Leland	Innovative science/engineering curriculum
Fremont	Minigrants for at-risk programs
Fremont	Coordination of at-risk programs
Fremont	Professional development in reading, writing, and media center
Fremont	<i>People Place</i> —multicultural learning center for 1st graders
Canfield	Integrated instructional and counseling program for at-risk at 2 high schools
Canfield	Integrated instructional and counseling program for at-risk at <i>Opportunity Awareness Center</i>
Canfield	<i>Red Flag Project</i> for early intervention with at-risk students
Canfield	Computer hardware for low- performing students
Bedford	Local standards board initiative for teacher relicensure
Bedford	Curriculum projects

Local Site	Activity
Bedford	Professional development at district and regional levels
Bedford	Professional development for individual schools
Bedford	Minigrants for general educational improvement
Bedford	Gifted and talented program
Bedford	Community education/awareness
Bedford	<i>School Report Night</i>
Acacia	Local musician to work with students in production of music
Acacia	K-12 social studies curriculum
Acacia	Materials for <i>Project Read</i> and <i>CIRC</i> programs
Acacia	Library materials
Acacia	Professional development in middle school concept
Acacia	Supplement to district resource and materials budgets, curriculum purchases, and professional development resources
Emery Park	Materials for at-risk study skills
Emery Park	Instructional materials (10 activities)
Emery Park	Curriculum development for interdisciplinary unit
Emery Park	Computer hardware/software (2 activities)
Emery Park	Professional development in various areas at school level (3 activities)
Emery Park	Part-time librarian
Emery Park	Workshops, performances, artists-in-residence, assemblies (16 activities)

Local Site	Activity
Emery Park	Multicultural presentation for students
Emery Park	Parent training
Emery Park	Facilitator, speakers, evaluation team to assist staff
Maple	School and central grants for at-risk activities
Maple	Curriculum development project to integrate foreign language into social studies and related minigrants
Maple	21 minigrants for innovation in various areas
Maple	12 minigrants for school professional development in instructional topics
Maple	Minigrants and central grants in Target Area 5
Maple	Minigrants and central grants in Target Area 6
Maple	Minigrants for materials purchases
Madison	Project to help students complete their student portfolios to graduate
Madison	Instructional video tape for K-12 in special areas
Madison	Minigrants, materials, and consultants for schools to help them develop action plans
Madison	<i>Assessment Academy</i> —professional development in performance assessment
Madison	Peer resources—training of trainers in many areas as a resource bank
Madison	<i>A World of Difference</i> —anti-prejudice professional development for elementary teachers
Madison	<i>Teaching with Technology</i> —professional development
Bay View	Minigrants to schools for programs related to at-risk students

Local Site	Activity
Bay View	Materials related to at-risk students (4 activities)
Bay View	Materials related to at-risk programs
Bay View	Tutoring of students by senior citizens
Bay View	Instructional materials/library materials (9 activities)
Bay View	Professional development related to middle school concept, restructuring, and other areas (7 activities)
Bay View	Parent training
Bay View	Software
Bay View	Gifted and talented program
Warner	Professional development to set up programs for low-performing students
Warner	Materials for media center
Warner	Math manipulatives to supplement new curriculum
Warner	10 minigrants to staff to promote experimentation/ innovation
Packwood	Supplies for at-risk program in schools
Packwood	<i>Writing to Read</i> —computer program to improve reading
Packwood	Elementary counselor to prescreen students in deficient areas
Packwood	Professional counseling for secondary students in need
Packwood	Materials, especially for media center
Packwood	School improvement planning and preparing for performance accreditation
Packwood	Materials for ethics education and for <i>Values Awareness Program</i>

Local Site	Activity
Packwood	High school community service program
Packwood	Gifted and talented program and related professional development
Packwood	Technology education at high school
Green Oaks	Materials, in part to support textbook adoption, but also general
Green Oaks	Two district positions to provide professional development related to curriculum revisions
Jefferson	Coordinator position for <i>Community Mentorship Program</i> —pairs adults with at-risk students
Jefferson	Instructional hardware and software
Central Valley	<i>Alternative 7 Program</i> —CAI instruction in basic skills with focus on self-esteem
Central Valley	Instructional materials, computer hardware and software
Skyline	Books for <i>Books and Beyond</i>
Skyline	<i>Accelerated Reading Program</i> —computers, books, and testing software
Skyline	General materials
Skyline	<i>Performing Arts Program</i>
Adams	Calculators and microscopes
Lennox	Computers for high school drafting program
Lennox	Macintoshes for elementary schools
Lennox	Circulation hardware for library
Farmdale	Teaching positions for gifted and talented program

Appendix F

STATE CASE STUDY CHAPTER 2 ACTIVITIES BY SITE

STATE CASE STUDY CHAPTER 2 ACTIVITIES BY SITE

State	Activity
Texas	Professional development for local staff to be TEA accreditation team members and school improvement resource people
Texas	Related professional development in research and evaluation for superintendency fellows to provide TA to team members
Texas	TA provided by regional educational service center staff to lowest-performing schools (Texas Renewal Initiative)
Texas	Child care services, parent training, child tutorials
Texas	Grant to district to provide training in problem-solving skills for disadvantaged, at-risk, minority gifted students
Texas	Funding to support state evaluation studies
Texas	Grants to 2 schools to provide extended child care for homeless school-age children
Texas	Grants to 10 districts for training and programs in telecommunications and writing process
Texas	Professional development for state staff in Chapter 2 programs and other areas
Texas	Professional development in teaching science provided by regional educational service centers
Texas	Development of teacher database
Texas	Calculators for all 8th-graders
Texas	Grant to district with high percentage at-risk to develop expertise in site-based management
Texas	Year-round school pilot

State	Activity
Texas	Pilot of new state database with 5 districts
Texas	Pilot of middle school evaluation and effective schools model in 4 districts
Vermont	Professional development and TA in effective schools process for locals
Vermont	Development of effective schools evaluation process—including whole school indicators and portfolio assessment
Vermont	State resource center to provide TA to schools and dissemination of materials on school improvement
Vermont	Professional development for library/media staff and dissemination of materials, including an effective schools library
Vermont	Professional development and TA in the humanities and dissemination of materials
Vermont	Professional development and TA in guidance and counseling services and dissemination of materials
Vermont	TA, teacher preparation, and professional development in arts education and programs for gifted and talented
Colorado	State position for implementing adolescent pregnancy prevention activities
Colorado	State position for providing TA related to cultural competency, dropout prevention, and <i>Even Start</i>
Colorado	State position (director of High Risk Unit)
Colorado	Discretionary grants to locals for at-risk programs
Colorado	State position to provide TA in technology, arts integration, learning styles

State	Activity
Colorado	TA and professional development to help locals implement the National Education Goals and state goals
Colorado	Dissemination of publications to help locals implement national and state reform initiatives
Colorado	TA to locals in Chapter 2 issues and procedures
Colorado	State position to provide TA in Chapter 2, work with <i>Scholarship Program</i> and <i>Australian Exchange Program</i>
Indiana	TA and professional development related to mandated school accreditation
Indiana	Professional development for locals in areas supported by the state
Indiana	<i>Summer Remediation Program</i> and related professional development
Indiana	Video library and related professional development
Indiana	Development and dissemination of materials related to 21st Century Schools
Indiana	<i>Academic Recognition Program</i>
Indiana	HIV/AIDS programs, drug programs
Indiana	Local pilots of the <i>Values Awareness Program</i>
Mississippi	TA for low-performing schools to implement remedial programs so that they will meet state accreditation standards
Mississippi	Professional development for new school administrators via the <i>School Executive Management Institute</i>
Mississippi	Professional development for locals related to state staff development requirements
Mississippi	TA and evaluation of local programs for students with disabilities

State	Activity
Mississippi	TA in development and use of curricular materials and support of state media center
Mississippi	TA for local gifted and talented programs and exemplary math and science programs
Mississippi	<i>Fibernet 2000</i> —networks 4 classrooms with universities
Mississippi	Satellite educational programming
Mississippi	Regular educational broadcasts
Maryland	<i>Maryland School Performance Program</i> —heart of state reform initiative
Maryland	<i>Maryland Assessment Center Program</i> — screening and selection of new administrators
Maryland	<i>Schools for Success</i> —variety of interrelated reform initiatives
Maryland	Instructional frameworks—interactive video system for teachers to promote use of appropriate teaching strategies
Maryland	TA to locals in school library and media services
Maryland	<i>School-Based Models</i> —models of school-based change
Maryland	<i>Student Leadership Program</i>
Maryland	State position to work on writing assessment
Maryland	<i>Early Learning Readiness Assessment</i>
Maryland	Instructional computer network
Maryland	General professional development for state staff and support of state computer laboratory
Maryland	Professional development in school leadership
Maryland	<i>Early Learning Continuum</i> —programs related to early intervention

Appendix G

STATE COORDINATORS' RECOMMENDATIONS FOR NEW TARGET AREAS

STATE COORDINATORS' RECOMMENDATIONS FOR NEW TARGET AREAS

Responses to the question: "If the targeted assistance areas were redefined, what new categories would be most relevant and useful to your Chapter 2 program?"¹ Twenty-seven respondents made recommendations.

1. Bilingual/ESL
 2. Parenting programs
-
1. Standard setting
 2. Student performance assessments
 3. Social needs
-
1. School improvement/restructuring
 2. New technology instruction and training
 3. Youth employment in skill-building
-
1. Research and development on academic achievement
 2. Restructuring
 3. Staff development
 4. Curriculum development
-
1. Acquire and utilize instructional equipment and materials
 2. Train educational personnel
 3. Develop or improve educational programs
-
1. Programs for at-risk
 2. Instructional materials
 3. Innovation programs
 4. Professional development
 5. Personal excellence and student achievement
 6. Administration
-
1. Expand Target Area 5
 2. Leadership development/staff development
 3. Multidisciplinary program development and training
 4. Assessment
 5. Technology

¹ This listing excludes responses that indicated eliminating target areas completely or replacing them with a sole focus on reform.

Source: Item 5, state survey.

1. Programs for at-risk
2. Instructional materials
3. Innovation programs
4. Professional development
5. Personal excellence and student achievement
6. Administration
7. Add a target area to purchase materials for general ed. use

1. Full range of educational applications

1. Systemic educational reform
2. Technology

1. Programs for young children
2. Basic skills
3. Remediation for adults

1. Restructuring
2. Instructional effectiveness
3. Staff development

1. Multi-media curriculum
2. School restructuring
3. Cooperative learning
4. Parent training

1. Educational programs
2. Reform efforts

1. School-wide improvement
2. Systemic reform
3. Comprehensive delivery models
4. Instructional materials
5. Professional development
6. Target Area 5 as defined by states and locals

1. Staff development
2. Instruction and instructional support
3. Management and management support
4. Parent education
5. Programs to increase skills, knowledge, or abilities of students, school staff, parents

1. At-risk
2. Professional development

3. Technology
4. School reform
5. Restructuring
6. Basic skills instruction
7. Assessment
8. Early childhood

1. Technology
2. Distance learning

1. Broader instructional materials to include distance learning
2. Automation of science labs
3. Technology enhancement
4. School reform
5. Parent training
6. Cooperative projects
7. Pilots and demonstration projects

1. Educational reform for systemic change
2. Innovative programs to enhance ed. reform
3. Staff development related to ed. reform

1. Systemic reform
2. Restructuring
3. Systematic teacher training
4. Staff development in all areas
5. Programs to improve student achievement/excellence
6. Programs to close achievement gap
7. Dissemination/sharing of successful practices and effective research

1. Programs targeted to all students, not specifically at-risk
2. Interdisciplinary programs

1. Multicultural education
2. Bilingual education
3. Early childhood
4. Interagency collaboration for support of families

1. School-wide improvement and reform
2. At-risk students
3. Programs to improve student achievement

1. Learning preparedness
2. Interagency collaboration for children and families
3. Shared decisionmaking

4. Performance-based assessment of students
 5. School to work transition
 6. Youth apprenticeships
 7. Tech prep
 8. Professional development
 9. Training of school board members
-
1. Nontraditional forms of assessment
 2. Parents as partners
 3. Multicultural programs
 4. Values education
 5. Special education
 6. Alternative education
 7. Middle schools concept
 8. Focus on early adolescents
 9. Multidisciplinary/integrated curricula
-
1. Systemic educational reform
 2. Coordination with other federal programs
 3. Seed money for technology
 4. Programs that promote equity