



The Money You Don't Know You Have for School Turnaround:

Maximizing the Title I Schoolwide Model

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The State Development Network (SDN) is a multistate, performance-based network of forward-thinking state education agencies who are committed to turning around low-performing schools by increasing state-level capacity and transforming the policy framework. It was during winter 2013 that the states exhibited interest in Title I flexibility, and as a result of a workshop at the February 2013 convening, the SDN commissioned the Federal Education Group to write this toolkit.

Please contact us at turnaround@massinsight.org if your state is interested in joining the SDN.

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Executive Summary

- The Title I schoolwide model can be a powerful tool for improving student outcomes
- Schoolwide programs have not been used to their full potential
- Many schools eligible for the schoolwide approach limit their Title I spending because of misunderstandings about how the federal *supplement not supplant* requirement applies to schoolwide programs
- This toolkit clarifies the spending rules that apply to schoolwide programs, and provides considerations for states, school districts, and schoolwide schools that want to rethink Title I spending

Find the money: Exploring Title I

Each year, the federal government provides billions of dollars to support low-income schools through the federal Title I program. Most of this money goes to Title I schools operating *schoolwide programs*. Schoolwide schools have authority under federal law to use Title I funds – and in some cases, other federal funds – flexibly to upgrade their educational programs. This means that Title I can be used to support comprehensive initiatives that improve academic performance across the school.

Few schools, however, take full advantage of schoolwide's program design options – often because of misunderstandings of a federal requirement known as the “supplement not supplant” rule. This limits the opportunity to use Title I as a resource to support school turnaround efforts.

This toolkit provides an overview of the schoolwide program option, and describes how schoolwide schools can use Title I funds to support comprehensive reforms. In particular, this toolkit will explore the *supplemental funds test* that applies to schoolwide schools, and explain how it differs from traditional supplement not supplant rules.

While this toolkit describes what the flexibilities are under federal law for schoolwide spending, these flexibilities may not be available in all states. That is because Title I is a *state-administered program*, meaning states have authority to impose rules more stringent than federal requirements. Many states limit Title I spending options in schoolwide schools, often inadvertently. This toolkit provides considerations for states wishing to eliminate or streamline state-imposed barriers to the schoolwide model. This toolkit also provides considerations for school districts and schools that wish to use the schoolwide model more effectively.

Importantly, this toolkit is offered for informational purposes only. It does not represent legal advice, or advice about any particular set of facts. Readers are encouraged to review the Title I statute, regulations, and U.S. Department of Education guidance, as well as state and local laws and policy, before taking any action with regard to Title I funds.

Make a smart choice: Delivering Title I services as a tool for turnaround

Schools that receive Title I, Part A may operate one of two program models:


1. **A targeted assistance model**, where Title I funds may be used only to provide supplemental services to identified at-risk students. Any Title I school may operate a targeted assistance program.
2. **A schoolwide model**, where Title I funds may be used to improve a school's entire educational program; spending is not limited to certain students – all students in a schoolwide school are considered to be Title I students. Schools with at least 40% poverty are eligible to operate a schoolwide program. In addition, priority and focus schools in states that received ESEA Flexibility waivers from the U.S. Department of Education may operate a schoolwide program regardless of their poverty level.

Targeted Assistance	Schoolwide
Services must be targeted only to specific at-risk students	Services must be designed to help at-risk students, but can include whole school initiatives
Only eligible students may participate in Title I-funded initiatives	All students may participate in Title I-funded initiatives
Use of funds must be consistent with specific Title I rules	Use of funds must be consistent with school's schoolwide plan (based on its needs)

Put your money where your mouth is: The schoolwide model

Congress designed the schoolwide model because it recognized that high-poverty schools face a variety of challenges and need the opportunity to use Title I funds¹ on comprehensive improvements. While targeted assistance schools are required to use Title I funds on extra services for specific students, the schoolwide model permits Title I funds to be used on costs designed to upgrade the school's educational

¹ In some cases, other federal funds can also be used more flexibly in a Title I schoolwide setting. See "A Word about Consolidation" on page four for more information.



program. Schools using the schoolwide model must perform a needs assessment, and then develop a plan for meeting those needs. Schoolwide schools may spend Title I on educational costs that support the needs and activities described in their plan.

The needs of a particular school, and its related spending decisions, will be different for different schools. The schoolwide model recognizes this. For example, the challenges a schoolwide school faces could range from: a lack of robust instructional materials, to a lack of coordinated planning time for teachers, to concerns over school safety and climate, to a lack of meaningful parental and community engagement.

Under federal law, Title I funds in a schoolwide school could support activities relating to any of the above concerns, *and others*, if the identified concerns are contributing to low student achievement.

For example, under federal rules schools operating a schoolwide model could use Title I funds for:²

- **Turning around low performing schools** (such as implementing rigorous interventions, preparing low-achieving students to participate successfully in advanced coursework, partnering with external providers where appropriate)
- **Upgrading the curriculum** (such as improved instructional materials, access to online learning opportunities)
- **Teacher support activities** (such as comprehensive induction or support programs for teachers including mentoring, observation opportunities, adding time to the day to support collaborative planning time for teachers, job embedded professional development, time and/or assistance in using data in effective ways to drive instructional decisions)
- **School climate interventions** (such as attendance incentive programs, anti-bullying programs, service learning, peer tutoring, or school safety initiatives)
- **Formative or interim assessments and/or screening** (such as early warning systems to alert the school to struggling students)
- **Expanded learning opportunities** (such as additional learning time, preparation for advanced coursework, before or after school tutoring to students struggling with coursework)
- **Family and community engagement activities** (such as family literacy programs, parent leadership academies, in-home visits, transportation or child care costs to enable parents to participate in parental engagement programs)

² These costs are consistent with examples from the U.S. Department of Education's guidance on using Title I funds under the American Recovery and Reinvestment Act (ARRA). Although the guidance was issued to address the additional Title I funds awarded under ARRA, it applies to regular Title I funds as well. The guidance is available at: <http://www2.ed.gov/policy/gen/leg/recovery/guidance/titlei-reform.pdf>

- **Implementation of community school model** (such as hiring a coordinator to facilitate delivery of health, nutrition, and social services to students in partnership with local service providers)

In short, federal law permits a schoolwide school to spend Title I funds on a wide-range of activities, as long as the school can demonstrate a need for the activity and the approach is generally described in the schoolwide plan.

A Word About Consolidation

There is a common misperception that schools must “consolidate” their Title I funds with other federal, state, and local funds in order to implement a schoolwide program. This is not true.

Title I funds may be spent flexibly in a schoolwide program regardless of whether the school consolidates funds or not. Consolidation permits schools to spend *non-Title I funds* flexibly, but does not affect how a school may use its Title I funds.

More information about “consolidating” funds is available in the U.S. Department of Education’s Title I Fiscal Guidance at: www.ed.gov/programs/titleiparta/fiscalguid.doc.

Use the right test: Spending in a schoolwide program

Despite the flexibility available to schoolwide schools, many schoolwide schools continue to operate like targeted assistance schools, and deliver Title I services only to particular students or limit services to “add-on” strategies as opposed to comprehensive reforms. This is because Title I is subject to a “supplement, not supplant” requirement, which generally requires schools to spend Title I funds on extra costs they would not normally pay for with state or local funds. Traditionally, this has meant Title I funds could only be used for limited “add-on” services for certain students.

The traditional supplement, not supplant rule, however, does not apply to schoolwide schools.³ Instead, schoolwide programs are governed by a *supplemental funds test*. This is different from the test that applies to targeted assistance schools.

The traditional supplement, not supplant rule, however, does not apply to schoolwide schools.

Congress created a different test for schoolwide schools to encourage these schools to use their Title I dollars for comprehensive reform strategies that address a school’s specific challenges. Congress wanted to encourage high-poverty schools to move away from “pull-out” or “add-on” strategies that only served certain students and did not tackle the fundamental challenges causing low student achievement.

³ See 1114(a)(2)

Sweat the details: The supplemental funds test

Schoolwide schools must meet a “supplemental funds” requirement under the Title I law, which is different from the traditional supplement, not supplant test that applies to targeted assistance schools.

Traditional Supplanting Test in a Targeted Assistance School

In a Title I targeted assistance school, compliance with Title I’s supplement, not supplant requirement is tested on a cost-by-cost basis to make sure each cost charged to Title I is “extra.” Auditors apply three “presumptions” to determine whether a particular cost would be funded with state or local funds in the absence of Title I funds. If the cost would have been funded with state or local funds in a targeted assistance school, it usually may not be charged to Title I.

Auditors will presume supplanting has occurred **in a targeted assistance school** if a cost supported by Title I:

- Is required by state, local, or other Federal law
- Was supported with state or local funds the prior year
- Provides services to Title I students that are paid for with state or local funds for non-Title I students

In some circumstances, there are exceptions to these presumptions of supplanting. For more information about how supplanting works in a targeted assistance school, please see the U.S. Department of Education’s Title I Reform Guidance (which applies to both Title I Recovery Act and “regular” Title I funds) at pages 7 and 8: www.ed.gov/policy/gen/leg/recovery/guidance/titlei-reform.doc.

IDENTIFICATION OF STUDENTS NOT REQUIRED. —

(A) IN GENERAL.—No school participating in a schoolwide program shall be required— (i) to identify particular children under this part as eligible to participate in a schoolwide program; or (ii) to provide services to such children that are supplementary, as otherwise required by section 1120A(b).

SUPPLEMENTAL FUNDS. —

A school participating in a schoolwide program shall use [Title I] funds available only to supplement the amount of funds that would, in the absence of [Title I funds], be made available from non-Federal sources for the school, including funds needed to provide services that are required by law for children with disabilities and children with limited English proficiency.

– Section 1114 of the Elementary and Secondary Education Act

Supplemental Funds Test

Under the supplemental funds test that applies to schoolwide schools, schools do not have to show a specific service or cost is “extra.”⁴ Instead, to show that Title I funds are supplemental, a school district needs to demonstrate that its Title I schoolwide schools were not denied access to state and local funds simply because they received Title I funds.⁵ In short, a district must be able to show its method for allocating state and local funds is neutral with regard to Title I funds and does not reduce state and local allocations in light of Title I funds.

For example, if School A would normally receive \$1,000,000 of state and local funds under the school district’s regular allocation procedures, the district could not reduce School A’s state and local allocation because it also receives Title I funds. For example, if the school receives \$200,000 of Title I funds, reducing the school’s state and local allocation by \$200,000 to \$800,000 would violate the “supplemental funds” test.

If the school district could show that School A received its entire \$1,000,000 state and local allocation, then the supplemental funds test would be met because the school’s Title I funds *add to* (supplement) the state and local funds the school would otherwise receive.

The bottom line: Using the supplemental funds test

Once a district satisfies the supplemental funds test, the schoolwide school may use Title I funds to upgrade its educational program consistent with its needs assessment and schoolwide plan.⁶ The normal rules of supplanting do not apply. In other words, **the school does not have to show a specific cost is supplemental.**⁷ This opens up a significant amount of programmatic flexibility, and permits schoolwide schools to use Title I funds for strategies that are designed to meet the unique needs of each school.

It should be emphasized that the supplemental funds test does not apply to targeted assistance schools or to district-level spending. In addition, districts must continue to comply with Title I’s maintenance of effort and comparability requirements.

⁴ See Section 1114(a)(2)(A)

⁵ See Section 1114(a)(2)(B)

⁶ See U.S. Department of Education guidance on Title I Fiscal Issues, Q&A E-7, available at: <http://www2.ed.gov/programs/titleiparta/fiscalguid.pdf>

⁷ See Section 1114(a)(2)(A)

The schoolwide model in practice: Supplemental funds examples

These examples are provided for informational purposes only. They illustrate how compliance with the supplemental funds requirement could be tested in two hypothetical districts, but ultimately how the test is implemented will depend on a district's individual facts and circumstances.

Example 1

There are many different ways school districts allocate state and local money to schools. Here is an example of how the supplemental funds test might work in a district that allocates money based on staffing and supply assumptions.⁸

This is a simplified example and is for illustration purposes only.

Assume funds are allocated using the following assumptions:

- 1 teacher per 25 students (teacher position = \$50,000)
- 1 principal per building (principal position = \$75,000)
- \$25 per student for technology costs
- \$50 per student for instructional materials

If a school has 300 students, the school would be expected to receive \$697,500 in state/local funds based on the following calculation:

Calculation	Category	Amount
12 x \$50,000	Funding for 12 teacher positions	\$600,000
1 x \$75,000	Funding for 1 principal position	\$75,000
300 x \$25	Per-pupil allocation for technology	\$7,500
300 x \$50	Per-pupil allocation for instructional materials	\$15,000
		\$697,500.00

To meet the supplemental funds test the district would have to show it applied the staffing and supply formula to all of its schools, regardless of whether a school receives Title I funds or not.

A district would violate the supplemental funds test, for example, if it gave Title I schools only \$15 per pupil for technology, or increased the teacher/student ratio allocation to 30 to 1 because it could fund some teachers with Title I funds.

⁸ Typically, a staffing and supplies allocation model is only a proxy for generating a funding amount. It does not necessarily mean the funds must be used for those particular costs. For example, while a staffing assumption used to generate funds might be 25 students to 1 teacher, the school may have discretion to have higher or lower class-sizes than 25 to 1. In this example, the staffing assumption is serving as method to generate funds.

Example 2

Here is another example based on a weighted student per-pupil allocation. Assume the allocation works on the following assumptions (again, these are simplified numbers for illustration purposes only):

- Basic per-pupil allocation: \$5,000
- Additional allocation per low-income/at-risk student: \$500
- Additional allocation per limited English proficient student: \$700
- Additional allocation per special education student: \$1,500

If a school has 500 students total, including 250 low-income students, 100 English Language Learners, and 50 special education students, the school would be expected to receive \$2,770,000 in state/local funds based on the following calculation:

Calculation	Category	Amount
500 x \$5,000	Base funding amount for 500 students	\$2,500,000
250 x \$500	Funding based on additional allocation for 250 students that are low-income/at-risk	\$125,000
100 x \$700	Funding based on additional allocation for 100 students that are English Language Learners	\$70,000
50 x \$1,500	Funding based on additional allocation for 50 students served by special education	\$75,000
		\$2,770,000.00

To meet the supplemental funds test the district would have to show it applied the formula to all of its schools, regardless of whether a school receives Title I funds or not.

A district would violate the supplemental funds test, for example, if it only gave a Title I school the base amount per student of \$5,000, and denied the school the extra \$700/per student for English Language Learners because the school received Title I funds.

Things to keep in mind: Title I Schoolwide Program

For many states, school districts, and schools, moving to a supplemental funds test may be a significant change to the way the Title I program is administered and have an impact on how Title I funds may be spent. Although the supplemental test was authorized by Congress and is contained in the Title I law, many in the field – including auditors and monitors – are not aware of it.

Implementing the supplemental funds test and increasing Title I spending options in schoolwide schools may require changes to the way Title I programs are administered at the state, district, and school levels. Below are some considerations states, districts and schools may wish to take into account.


Although the supplemental test was authorized by Congress and is contained in the Title I law, many in the field – including auditors and monitors – are not aware of it.

State Considerations

- **Are there state policies – either written or unwritten – that reinforce use of the traditional supplement not supplant test in schoolwide schools?**
- **What guidance, technical assistance, and other supports will the state provide around the supplemental funds test?**
- **How will the state monitor compliance with the supplemental funds test?**
- **Are there state policies – either written or unwritten – that limit the use of Title I funds to add-on services for specific students in a schoolwide program?**
- **Federal law permits schoolwide schools to spend Title I funds on a broad range of costs, but all costs must be necessary and reasonable.**
 - **Are there costs the state would not consider to be necessary and reasonable?**
 - **If so, how will the state communicate its policies to school districts and schools?**
- **How will the state monitor the use of Title I funds in schoolwide schools?**
- **Has the state provided technical assistance to school districts and schools on becoming a schoolwide program?**
- **Does the state permit schools to integrate schoolwide planning with other planning processes that may occur in the school?**
- **Are there other state-imposed barriers that limit the effective implementation of the schoolwide model?**

School District Considerations

- **If the state is open to using the supplemental funds test, how will the district demonstrate compliance?**
 - **Can the district articulate how it allocates state and local funds to its schools?**
 - **Is that process neutral with regard to Title I funds?**
 - **What documents can the district provide to demonstrate compliance?**

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- **If the state is not yet open to using the supplemental funds test, how can the district work with the state to understand the state’s policies? What concerns does the state have and how might the district help to ameliorate those concerns?**
 - **What internal controls will the district put into place to ensure its state and local allocation procedures do not reduce funding to Title I schools because they receive Title I funds?**
 - **Does the district understand the state’s policies on the allowable use of Title I funds?**
 - **Are these policies easily accessible in writing?**
 - **If not, what feedback can the district offer to the state about local technical assistance needs?**
 - **Does the state restrict how Title I funds can be spent in schoolwide schools?**
 - **If so, how can the district work with the state to explore more flexibility?**
 - **What concerns does the state have and how might the district help to ameliorate the concerns?**
 - **What internal controls will the district put into place to ensure school-level costs in schoolwide schools are consistent with the school’s needs and schoolwide plan?**
 - **How will the district support schoolwide schools in identifying their needs and developing effective schoolwide plans?**

Schoolwide School Considerations

- **Does school staff understand state and district policies about the allowable use of Title I funds?**
 - **Are the policies easily accessible?**
 - **If not, what feedback can the school offer about school-level technical assistance needs?**
- **How does the school identify its needs?**
- **How does the school ensure that its schoolwide plan is aligned to its needs, and consistent with federal schoolwide planning requirements?**
- **How does the school make spending decisions?**
- **How does the school ensure Title I funds are used to address the issues causing low academic performance in the school consistent with the school’s schoolwide plan?**





Federal rules can be hard to navigate in K-12 federal education programs. Federal Education Group helps clients understand these rules and find available flexibilities so that states, districts, and schools can use their federal money in a way that achieves their goals and complies with federal requirements.

Melissa Junge and Sheara Krvaric have extensive practical experience delivering professional development about federal requirements and opportunities, counseling on compliance concerns, and helping clients implement comprehensive and innovative reforms.

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Mass Insight Education is nonprofit organization, founded in 1997, that has been a state and national leader in strengthening public school systems. Its *School Turnaround Group* is nationally recognized for its research, advocacy, and state and district initiatives to transform the country's lowest-performing schools and rethink district structures. U.S. Education Secretary Arne Duncan called its 2007 study "the bible of school turnaround." Its *Mass Math + Science Initiative* is the state's largest academic high school math and science program aimed at underserved students. MMSI is expanding access to rigorous Advanced Placement coursework and closing achievement gaps in more than 50 high schools statewide. Now in its 4th year, MMSI has consistently delivered impressive results: increased enrollment in math, English and science AP courses; more qualifying AP scores; and more students starting and graduating from college.

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