

# Handbook

for The Application and Use of

# Title I ARRA Funds



# **Michigan Department of Education**

## **Vision for American Recovery and Reinvestment Act (ARRA)**

The American Recovery and Reinvestment Act (ARRA) of 2009 provides opportunities to improve instruction and increase student achievement for children across Michigan for generations to come. The charge is to fund innovative and proven strategies that drive educational reform. State data demonstrates that support is needed in math, reading, writing, parental involvement, high school graduation rates, and high quality job-embedded professional development for teachers. The responsibility for success depends on the commitment of students, parents, teachers, principals, superintendents, education boards, and state officials. The American Recovery and Reinvestment Act provides a short-term investment for long-term gains in student achievement through innovation and accountability.

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# **I. Michigan's ARRA Process Guide for Title IA Funds**

Update the **Comprehensive Needs Assessment**



Set Needs, **Goals and Objectives** based on the needs identified in the Comprehensive Needs Assessment



Identify comprehensive and cohesive **Research Based Strategies** that will help schools reach the identified Goals and Objectives



Prepare a prioritized list of expenditures that will enable schools to implement the identified strategies



Submit your application for uses of the Regular Title I and ARRA funding in substantially approvable form using the Michigan Electronic grants System (MEGS)

## **II. Important Questions to Consider**

In making local decisions about how to most effectively invest recovery resources, LEA's are asked to consider the following:

- Is the investment aligned and included in the school improvement plan?
- Does the data from the school's comprehensive needs assessment indicate a need for the investment?
- Is the investment going to have a measureable impact on increasing student achievement?
- Is the investment aligned with the other academic strategies that the district is already pursuing that are effectively boosting achievement of the lowest-performing students? Is it targeted, cohesive, and well integrated?
- Is the investment possible within the time frames mandated in the law?
- Is it sustainable after the ARRA funds are gone? Does the investment develop the foundation in the next two years so that fundamental reforms are in place with sufficient momentum to endure once the ARRA funds are spent?
- School districts should be planning now for the funding that they will receive directly as a result of the ARRA. They should plan deep and thoughtfully.

### **III. Frequently Asked Questions Regarding ARRA Title I Funds**

#### **A. General Information**

**1. For what purposes must a local education agency (LEA) use ARRA Title I funds?**

LEAs must use their Title I, Part A, American Recovery and Reinvestment Act (ARRA) funds consistent with the Title I, Part A statutory and regulatory requirements. Uses should be aligned with the core goals of the ARRA to save and create jobs, and to advance reforms consistent with the requirements of Title I.

Because the ARRA funds constitute a large increase in Title I, Part A funding that will likely not be available at the same level beyond September 30, 2011, schools and LEAs have a unique opportunity to improve teaching and learning and should focus these funds on short-term investments with the potential for long-term benefits, rather than make ongoing commitments that they might not be able to sustain once ARRA funds are expended.

**2. Will LEAs receive a regular Title I allocation on July 1, 2009 in addition to the ARRA Title I allocation?**

Yes. The ARRA Title I Allocation is in addition to the Regular Title I money that eligible LEAs will receive for 2009-2010 on July 1, 2009.

**3. What is the obligation period for the ARRA Title I Funds?**

July 1, 2009, or upon submission of the required three grant applications in substantially approvable form: The LEA Planning Cycle, Title I School Selection, and the Consolidated Application through September 30, 2011 (with approved carryover).

**4. Explain the process for applying for both the ARRA and Regular Title I allocations for 2009-2010.**

- Develop a comprehensive needs assessment using one of the school improvement tools provided by Michigan Department of Education (MDE), or use district-developed school improvement tools.
- Develop the school improvement plans and district improvement plans focusing on the most challenging needs facing the schools and district. Plan well and plan deep.
- Apply for the regular Title I funds and the ARRA Title I funds in MEGS by submitting the following three applications: LEA Planning Cycle, Title I School Selection, and the Consolidated Application.

**5. Do all of the regular Title I set-aside requirements apply to ARRA Title I funds (i.e., professional development, supplemental educational services, services to students in private nonprofit schools, parent involvement, etc.)?**

Yes. However, MDE may apply for waivers of some of these set-asides, where possible, as soon as guidance is provided by United States Department of Education (USED). MDE will notify LEAs of our waiver applications as soon as they are available.

**6. Does the 15% carryover limitation on Title I funds apply to the ARRA Title I Funds?**

Yes. The carryover limitation applies and, in accordance with ARRA, LEAs are expected to plan programs that can be implemented quickly and effectively. However, USED has indicated that MDE may apply to waive the 15% carryover limitation for the ARRA funds as soon as guidance is provided. MDE plans to submit a request for this waiver. Districts must apply for 100% of both the regular and ARRA funds with the expectation of expending 85% of the allocation in the 2009-10 school year.

**7. Must LEAs provide equitable services to nonpublic schools with the ARRA Title I funds?**

Yes. The same rules apply to the ARRA Title I funds as the regular Title I funds.

**8. Does the supplement not supplant provision apply to the ARRA Title I funds?**

Yes. LEAs must not supplant funds. USED has already indicated that they will not waive this requirement.

**9. What are the criteria for approving funds under ARRA Title I? ARRA Title I funds and regular Title I funds are the combined 2009-10 Title I allocation for each eligible Title I district and PSA.**

An activity must meet the established Title I criteria for either a targeted assistance or schoolwide program. It must address an achievement need defined by data, be part of the school improvement plan, incorporate research-based initiatives, and be necessary, reasonable, allowable, and consistent with all other Title I rules and guidance. School improvement plans with well written Title I schoolwide components address the most challenging needs of the school based on a comprehensive needs assessment. The activities are part of a comprehensive and cohesive reform strategy that fit tightly together.

Well written, targeted assistance components address the most challenging academic needs of the students identified by criteria to be the farthest from meeting the state content standards. In both targeted assistance and schoolwide Title I programs, the activities should establish a foundation for change that will be sustained after the ARRA funds are invested and will result in lasting changes.

Finally, the activities in both types of Title I programs should include an evaluation component sensitive to short term and long term process changes and achievement outcomes.

**10. Can you give examples of initiatives that meet these criteria?**

Yes. See Appendix

**B. Using the Title I School Selection Application to Identify Additional Title I Eligible Schools**

**1. Why would an LEA want to identify additional schools as Title I eligible in the Title I School Selection Application?**

Additional schools selected would have a great opportunity to tackle their most challenging needs and develop the momentum for change over the life of the ARRA funds.

**2. What are the advantages of changing one of the district's schools to Title I status if it is already not making Adequate Yearly Progress (AYP) or is likely not to make AYP?**

These schools will become eligible for significant additional resources and direct services to make substantive change, including the following:

- a. Regular Title I funds and ARRA Title I funds.
- b. School improvement funds: There will be at least 5 times as much school improvement funding available in 2009-2010 than was available the previous year through a specific school improvement fund that the USED has set aside. The exact amount for Michigan is not yet determined and MDE will need to apply for these funds to USED. However, this will provide a rich source of additional funding and service to substantively reform low-performing schools.
- c. Access to the Leadership Academy to help train principals: This academy is conducted by Michigan State University (MSU) using nationally known faculty well-grounded in the principles required to train high-performing principals. For more detail go to the following website <http://edps.educ.msu.edu>
- d. Access to leadership coaches: These coaches are also trained by MSU and join the principals at the Leadership Academy activities bringing a cohesive and comprehensive approach to change with onsite assistance to transform the school into a high-performing school. Coaches are selected from experienced professional educators, and are dedicated to helping the principal and staff develop a sustainable leadership team dedicated to student achievement.
- e. Access to mentors: Staff trained as process mentors from ISD/RESAs and/or the Michigan Department of Education, will assist the school leadership team in making needed changes. They also remove barriers at the school, district, or state levels to enable change, and work to

improve the school's own plan of action while holding themselves and the school accountable for student achievement.

- f. Training on how to obtain and use state and local data to drive instructional decisions: This is one of the most important and effective resources for supporting classroom instructional change.
- g. Access to instructional coaches: Research shows that teachers want to improve. They are enabled to change when effective professional development is provided; they have access to coaches who support the changes, model the changes and provide routine non-judgmental feedback.
- h. Access to program audits: Experienced educators accurately observe and accurately describe the current status of each school. This feedback helps schools understand their current achievement performance, the causes of underperformance, the strengths and weaknesses of the school improvement plan and provides direction.
- i. ISD/RESAs have additional resources specifically to serve high priority schools: The ISD/RESA works directly with the school to identify its unique needs and deliver appropriate services to meet these needs.

### **3. What does No Child Left Behind (NCLB) require of schools that become Title I if it is already not making AYP, or is likely not to make AYP?**

The details of these requirements can be found at the following website [http://michigan.gov/mde/0,1607,7-140-6530\\_30334-103288--,00.html](http://michigan.gov/mde/0,1607,7-140-6530_30334-103288--,00.html)

A brief outline of the requirements is listed below:

- The district must notify parents of the school's AYP status.
- Set aside 20% of Regular and ARRA Title I funds for Supplemental Educational Services (SES) choice/transportation.
- Schools in Phase 1 and 2 must write and implement a new school improvement plan.
- In phases 1 and 2, 10% of Title I Regular and ARRA funds must be used for targeted professional development.
- Schools in Phase 3 must write a corrective action plan.
- Schools in Phase 4 must write a restructuring plan.
- Schools in Phase 5 must implement the restructuring plan.

## **C. Additional Questions Regarding the Use of Title I and ARRA Funds**

### **1. Can some ARRA Title I funds be used for early childhood programs?**

Yes. Congress in its ARRA conference report indicated its intent that grantees should consider expending some of their Title I funds for early childhood programs and activities. The Administration is committed over the long term to expanding early childhood educational opportunities and creating a more seamless web of high-quality services for parents and children. In the coming weeks, the USED will provide additional guidance on opportunities to use ARRA funds to expand high-

quality early childhood educational services. Both Title I and Individuals with Disabilities Educational Act (IDEA) have provisions that allow funds to be used for early childhood initiatives. Follow the guidance in these programs for developing and implementing early childhood programs using related ARRA funds. Contact your Field Services consultant for guidance on pre-school expenditures using Title I, Part A funds.

**2. Can ARRA Title I funds be used for eligible private school children, teachers, and families?**

Yes. All Title I requirements apply to the use of ARRA Title I funds, including those requiring equitable services for eligible private school children and their teachers and families.

Under Section 1120(b) of the Elementary and Secondary Education Act (ESEA), an LEA must consult with private school officials during the design and development of the LEAs Title I, Part A programs. That consultation must include meetings of LEA and private school officials, and must occur before the LEA makes any decision that affects the opportunities of eligible private school children to participate in Title I, Part A programs.

**3. What are our shared responsibilities for ensuring that all funds under ARRA are used for authorized purposes and instances of fraud, waste, and abuse are prevented?**

All ARRA funds must be spent with an unprecedented level of transparency and accountability. Accordingly, everyone must maintain accurate, complete, and reliable documentation of all ARRA, Title I expenditures. The ARRA contains very stringent reporting requirements and requires that detailed information on the uses of funds be available publicly.

**4. How can LEAs exercise creativity, as USED says we need to with these funds, but still remain compliant?**

The department understands this dilemma. The challenge is to reimagine how schools might use these funds to address important challenges while still maintaining compliance with the related federal requirements. All federal rules and regulations apply to the Title I ARRA funds and these funds must be used within these restrictions. Districts will need to be creative in solving important challenges using the funds in accordance with the guidance.

**5. Will LEAs have the opportunity to move these new funds to other schools within the district that have not been served in the past?**

Yes. However, districts do not “move funds to other schools.” Districts eligible for Title I funding with student enrollments greater or equal to 1000 and have overlapping grade spans, must determine Title I eligible schools through the Title I School Selection process. Districts eligible for Title I funding with student enrollments less than 1000 or have no schools with overlapping grade spans, are

not required to use the school selection process, but instead select schools based on the analysis of its needs assessment. All eligible schools new to Title I status for the 2009-10 school year must attend a 5 day, Title I planning process workshop this summer. Districts have been sent information regarding the 5 day planning sessions.

**6. Would it be feasible to use some of this money for professional development for our staff?**

Yes. Title I allows for professional development activities based on the data analysis of a needs assessment. Please confer with your Title I field services consultant to ensure that the professional development you are planning is consistent with Title I uses in either targeted assistance or schoolwide programs.

**7. Do we have to spend all of the funds this year?**

LEAs have the first 15 months to "obligate" these funds and a total of 27 months to draw the funds. The same timelines apply as apply to regular Title I allocations. Because of the 15% limit on carryover for Title I, recipients have 15 months to obligate 85% of the dollars and may carry over the remaining 15% for an additional year. The state will apply for a waiver of the carryover limit on behalf of LEAs. However, until that waiver is approved, LEAs should plan on obligating 85% of the ARRA and Regular Title I funds.

**8. I heard we will we get ARRA funds for two years. Is this correct?**

This is a bit of a misunderstanding. MDE has provided preliminary allocations using an estimate of 100% of the ARRA and Regular funds for the coming year. In the late fall of 2009, MDE will provide your LEA with final allocations which will likely be slightly more than the preliminary allocations. There will be no other ARRA funds allocated beyond 2009-2010. You must obligate and spend all ARRA funds by September 30, 2011. Costs are allowable beginning February 17, 2009, the effective date of the ARRA.

**9. Can we use Title I funds to extinguish debt?**

No.

**10. General education teachers have been laid off. If new Title I positions are created, can we use these recovery dollars to rehire those teachers into that new Title I position?**

Yes. It is permissible to hire back a teacher as a supplemental Title I teacher. These teachers may not be the teacher of record for any classroom. Districts also have to adhere to the Title I highly qualified requirements.

**11. Does approval of a proposed budget and execution of the assurances ensure that districts don't run the risk of being audited down the line?**

No. Every federal program, including programs funded through ARRA, are subject to audits. LEAs are responsible for utilizing these funds for the defined purposes of the programs consistent with the defined rules related to the programs. Compliance is essential and performance is subject to audits.

**12. We currently have a literacy coach that we pay out of the early literacy program. Could that coach's salary be paid for out the Title I funds that are coming?**

Generally, academic coaches like literacy coaches are an eligible Title I expense in a schoolwide program. However, supplement not supplant requirements are applicable to all regular and ARRA programs. A literacy coach hired for a targeted assistance Title I program would have to be carefully thought out. Professional development is focused on the Title I funded staff and to those classroom teachers who need specific professional development to meet the needs of the Title I students they work with. Many literacy coaches provide professional development for all teachers to upgrade the basic curriculum for all students. This type of job description for a literacy coach in a targeted assistance Title I program would not be allowable. Check with your field services consultant if you have questions.

## **IV. Circulating Rumors and Misconceptions** **Regarding** **the American Recovery and Reinvestment Act** **(ARRA)**

Over the past few weeks MDE has encountered several rumors or misconceptions that need clarification. Below are MDE's best current understandings about the ARRA.

### **1. MDE recently published allocations that are 50% of the total that will be allocated. (Not correct.)**

The preliminary allocations that were recently published by the Michigan Department of Education (MDE) are 100% estimates of the 2009-2010 regular and ARRA allocations. These are conservative estimates of the funds available to Local Educational Agencies (LEAs) for the coming year. In the fall of 2009, MDE will publish final allocations for both the regular and ARRA funds. These may be slightly higher than the preliminary estimates. LEAs must use the preliminary estimates to apply for funds, such as Title I, in the consolidated application and amend applications after the fall announcement of final allocations.

### **2. Next year LEAs will receive additional ARRA funding. (Not correct)**

Additional ARRA funds will not be allocated beyond those already appropriated by Congress for 2009-2010. One of the primary purposes of ARRA is to stimulate the economy immediately. These short term funds should be used immediately to produce long term gains in student achievement. It is possible that some LEAs will not use some of the allocated funds and these may be redistributed at a later date.

### **3. LEAs can use ARRA funds for whatever meets their needs. (Not correct)**

Whenever the federal government appropriates funds for a program, the funds come with defined purposes and conditions. The ARRA funds are coming to states and LEAs in several different programs:

- a. Stabilization funds: These are the most flexible and can be used for any activity authorized under the Elementary and Secondary Education Act of 1965, the Individuals with Disabilities Education Act, the Adult and Family Literacy Act, or the Carl D. Perkins Career and Technical Education Act of 2006; or the modernization, renovation, or repair of public school facilities.
- b. Targeted Education funds: These funds have clearly defined purposes with varying degrees of flexibility as defined in the laws under which they were appropriated such as IDEA; Title I, Part A; Title I, Part A, School Improvement; Title II, Part D; Title X, Part C, and a few other federal programs. In addition, the federal program regulations and guidance place additional restrictions on the administration of these funds beyond the defined purposes. The ARRA funds under these programs must be

used consistent with the purposes, law, regulations, rules and guidance of the programs under the related programs.

**4. LEAs will have until 2015 to spend ARRA funds. (Not correct)**

One of the major purposes of the ARRA funds is to stimulate the economy immediately. These short term funds must be used to produce long term gains in student achievement. The targeted education funds like IDEA and Title I must be spent in the 27 months before September 30, 2011. Additionally, the Title I funds have a restriction that only 15% may be carried over beyond the first 15 months (September 30, 2010). MDE will be requesting a waiver of this requirement but LEAs should plan on spending 85% before September 30, 2010 until this waiver has been granted.

# **Appendix**

## **Examples of Innovative Uses of ARRA Funds**

**Challenge 1:** The district has not typically included the high school as a Title I, Part A eligible school. Data indicates a need for supplemental services in the high school. The district did receive ARRA funds but the amount was less than hoped for. The district must decide how to maximize TARGETED services for the high school with minimal extra funds.

**Preliminary Decision:** The district will concentrate the funds at a single grade level in the high school. 9<sup>th</sup> grade students and teachers will engage in 2 years of focused, intensive support designed to ensure that students entering the 10<sup>th</sup> grade are ready.

**Need:** MEAP data clearly indicate that 40% of students entering the 9<sup>th</sup> grade are underprepared for high school level mathematics. Similarly, 47% of 9<sup>th</sup> grade students lack the necessary writing preparedness; 37% of students are predicted to struggle with 9<sup>th</sup> grade mathematics. Review of individual strand data shows that the most frequently missed Grade Level Content Expectations (GLCE) for this cohort of students occurs in the following strands - standards: Algebra - formulas, expressions, equations, inequalities; Geometry – geometric shape properties and mathematical arguments; Reading – vocabulary, narrative text; Writing – personal narrative and writing attitude.

**Goal:** All students will demonstrate proficiency in mathematics and ELA.

- **Objective:** Increase proficiency of 9<sup>th</sup> grade students on the MEAP by at least 20% in both mathematics and ELA.
  - **Strategy:** All 9<sup>th</sup> grade students will double math and English language arts instructional time; liberal arts and electives in the 9<sup>th</sup> grade will be eliminated. Coaches will be hired for those extra two periods every day; coaches will provide support to the classroom teacher as well as model direct instruction for students (ARRA, Title I, Part A funds).
  - **Strategy:** Students who do not need remediation will be provided enrichment coursework during the second period through monitored, computer-based instruction (Title IID) to move them toward 100% proficiency.
  - **Strategy:** 8<sup>th</sup> grade jumpstart program for 2 weeks prior to the start of school; 3½ days of instruction (2 hours math, 2 hours ELA) for students who scored a 3 or a 4 on the MEAP in mathematics or ELA; teachers will engage in a full day of professional development on Mondays; students report Tuesday, Wednesday, Thursday; second half days are continued feedback from coaches related to strategies implemented, modeling, practice, assistance with lesson plans focused on remediation and enrichment (ARRA Title I, Part A, Title II, Part A)

**Challenge Number 2: Middle school staff struggles with writing instruction. Students are moving into the high school unprepared for high school level writing. The high school has to focus on remediation.**

**Preliminary Decision: Focused support for teachers is necessary to improve writing in the middle school. Focus will be on teachers to promote long-term student achievement and avoid “a wall” after the ARRA funds are gone. ARRA will be moved into the middle school for a 2 year SCHOOLWIDE program and then the school will be returned to non-Title I status.**

**Need:** Writing scores on MEAP in 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> grades have consistently been lower than the state average for the last three years.

**Goal:** All students will be proficient writers.

- **Objective:** Increase writing proficiency on the MEAP by 20% annually, in each grade over three years. The three-year cohort group entering high school will demonstrate almost 100% proficiency.
  - **Strategy:** All 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> grade teachers will be involved in professional development that includes strategies for writing across the curriculum (ARRA, Title I).
  - **Strategy:** All 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> grade teachers will be included in sustained professional development related to developing and implementing a writing rubric within the classroom (ARRA, Title I; Title II, A).
  - **Strategy:** A writing coach will be deployed to each 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> grade classroom during ELA instruction at least three times a week to model instruction and provide feedback to classroom teachers (ARRA, Title I; Title II A).
  - **Strategy:** ELA teachers will meet twice a month for two hours to review student writing and apply the rubric (ARRA, Title I).
  - **Strategy:** Summer lab school; all students who scored a 3 or 4 on the MEAP will be required to attend a summer lab school; prior to summer lab school, teachers will receive a week of sustained professional development related to writing strategies; during lab school, students will attend mornings; teachers will receive feedback and practice strategies in the afternoons (ARRA Title I, A; Title IIA).