



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

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**MEMORANDUM**

**DATE:** January 12, 2017

**TO:** Local and Intermediate School District Superintendents  
Public School Academy Directors

**FROM:** Venessa A. Keesler, Ph.D., Deputy Superintendent *V. Keesler*  
Division of Educator, Student, and School Supports

**SUBJECT:** Plans for 2017-18 Every Student Succeeds Act (ESSA) Formula Grants

The Michigan Department of Education (MDE) has been working on the state's ESSA plan and the best timeline for submission is being evaluated. Regardless, it is anticipated that the grant programs will undergo change for the 2017-18 school year. The plan is to hold the essential grant processes as stable as possible for the 2017-18 school year while implementing any federally required changes. The MDE will require an additional year to make more substantive changes, and these will be implemented in the 2018-19 school year. This message provides an outline of the key changes for the 2017-18 school year so that districts, public school academies, and schools can begin planning.

District and School Improvement Plans

The ESSA requires robust comprehensive needs assessment and improvement plans at the district and school levels. The MDE encourages every school and district to engage in these planning activities with renewed vigor to accelerate student achievement and close persistent gaps for all student subgroups. The district and school improvement planning process will have few changes in the 2017-18 school year, itemized here:

- Schools and Single-Building Districts have the option to complete the abbreviated [School Improvement Plan](#) OR update the existing Goals and Plans in AdvancEd ASSIST for the 2017-18 School Improvement Plan due September 1, 2017.

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- The school improvement planning process remains the same regardless of which option above the school chooses.
- The district improvement plan must be completed in AdvancEd ASSIST and submitted as a prerequisite to the Consolidated Application. The processes for submitting the plan and application are the same as in past years.

### Title Program Grant Applications

The ESSA established a new grant, Title IV, Part A, Student Support and Academic Enrichment (SSAE). The ESSA law established this as a block grant, making many activities that were funded under No Child Left Behind (NCLB) allowable as options for districts under Title IV, Part A. The MDE plans to make this a separate grant in MEGS+ for the 2017-18 school year. The MDE is in the process of developing this application and will communicate details and guidance over the next few months as the process becomes clearer. We have created an [Overview: Strategies and Allowable Activities Defined for Title IV, Part A](#) for your review.

For the following NCLB grants that continue under the ESSA, the MDE will use the same application and management processes used in the past:

- Title I, Parts A (Improving Basic Programs), C (Migratory Children) and D (Neglected and Delinquent Youth)
- Title II, Part A (High Quality Teacher, Principal and School Leaders)
- Title III (English Learner and Immigrant Students)
- Title V, Part B (Rural Education Initiative); Note: this was Title VI in NCLB
- Title IX (Students Experiencing Homelessness); Note: this was Title X in NCLB

### 2017-18 School Year Expected Program Allocations

The ESSA has made several specific changes to program allocations, outlined by program below. However, in general, funding allocations to Michigan are declining because other states have a growing population of students and a growing population of students in poverty relative to Michigan. The exact amount Michigan will receive will not be known until Congress passes a budget and the MDE receives preliminary and final allocations. At that time, the MDE will calculate and communicate preliminary and final allocations to districts and academies consistent with usual timelines. The following program-specific allocation changes can be expected:

**Title I, Part A:** The ESSA requires states to increase the state reservation for school improvement from 4% to 7%. This will reduce the amount available to local educational agencies (LEAs) by 3%. States are required to use the school improvement reservation to provide services and supports to schools identified as Comprehensive and Targeted support schools. States also have the option under this section to reserve an additional 3% for direct student services, increasing the state reservation to 10%. Michigan has chosen not to pursue this additional optional reservation for two reasons:

1. This reservation would further reduce the amount available to local schools and districts.
2. The activities required by the additional reservation are already allowable with Title I funds if indicated by the needs assessment. Making an additional reservation at the state level would decrease flexibility and local choice.

**Title II, Part A:** The ESSA changed the allocation formula for Title II, Part A allocations to LEAs and public school academies (PSAs), beginning in the 2017-18 school year. The hold harmless component is eliminated and funds will be distributed based on a district's share of the census population ages 5 through 17 (20% of funds), and based on a district's share of census poverty population ages 5 through 17 (80% of funds). The MDE will continue to use alternative population and poverty data to calculate allocations for PSAs; PSAs do not have geographic boundaries required in calculation of census data.

A [Title II, Part A - Comparison of Actual Allocations v. Projected Funding Under ESSA](#) can be found on the Office of Field Services (OFS) website. These projections are a comparison of actual 2016-17 schoolyear Title II, Part A funding and what allocation amounts would have been during the same period had the new ESSA formula been in effect. Final allocation amounts for the 2017-18 school year will be based on updated poverty and population data and final decisions on appropriations by Congress.

Additionally, the MDE plans to utilize the optional state activities reservation provided for under the ESSA to support school building leadership. This reservation is 3% of the 95% of Title II, Part A funds sub-granted to LEAs via the formula described above, or 2.85% of Michigan's total Title II, Part A allocation. The analysis linked above includes a column showing the impact to districts of this additional state activities reservation.

**Title IV, Part A:** This is the new block grant in the ESSA. Congress has not appropriated funds for SSAE at this time. That decision has been postponed until April 28, 2017, and estimates for funding this program range from \$1.8 billion to \$300 million for all states. The MDE estimates that, at the lower level of funding, nearly all of Michigan's LEAs would receive the minimum level of funding required in the ESSA, \$10,000. The ESSA requires the MDE to allocate these funds in proportion to the amount that the state allocated to LEAs for Title I, Part A. Allocations to LEAs will be calculated and communicated as soon as possible.

**Other programs:** The MDE does not expect any major changes to the state allocations for the following programs: Title I, Parts C (Migratory Children) and D (Neglected and Delinquent Youth); Title III (English Learners and Immigrant Students); Title V, Part B (Rural Education Initiative); and Title IX (Students Experiencing Homelessness). Individual LEAs can expect the allocation fluctuations based on student counts and eligibility similar to years past.

**Special Note Regarding Equitable Services for Non-public Students and Schools:** The ESSA made important changes to the process for implementing equitable services for non-public schools at both the state and LEA levels. These changes may impact LEA funding reservations for equitable services. The MDE is in the process of developing guidance about these changes and will communicate the details as soon as possible.

### Coordination of Program Funds and Transferability

The ESSA emphasizes the importance of high quality improvement plans based on a robust comprehensive needs assessment and coordination of program activities across funding streams. It is increasingly important to establish local plans that strategically will accelerate student achievement and close achievement gaps for subgroups. Once districts have high quality plans, they may identify funding sources that support these plans. Applications for the ESSA programs then should be developed consistent with the coordinated plans. Districts and schools should consider each student subgroup when updating the comprehensive needs assessment and address subgroups in a plan objective.

As part of their improvement planning, LEAs may want to take advantage of the new ESSA options to transfer funds from one program to another if that will make it easier to manage the programs. The ESSA allows the following transfers:

Funds from Title II, Part A or Title IV, Part A may be transferred into any of the following Title Program Funds:

- Title I, Part A
- Title I, Part C
- Title I, Part D
- Title II, Part A
- Title III, Part A
- Title IV, Part A
- Title V, Part B

\*Note: In most cases, the LEA must engage private schools in meaningful consultation before transferring funds and must set aside specific funds for equitable services to private school children from the transferred amounts. The MDE will provide more guidance on the process for transferring funds.

### Summary

This message provides a high-level summary of the status of the MDE's plans for the 2017-18 school year ESSA grants. Generally, the MDE plans to hold as many grant processes as stable as possible for the 2017-18 school year, while implementing the changes required under the ESSA. When the MDE receives clarifying information from the United States Department of Education (USED), the MDE will update guidance for each grant and will communicate specifics to LEAs. As the Michigan ESSA plan is submitted and approved by USED during 2017, the MDE will develop

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more significant changes for implementation in the 2018-19 school year. The MDE offices will be providing detailed guidance for each grant when that guidance is finalized.

If you have questions regarding the above, please send them to Mike Radke, Director of Field Services, at [radkem@michigan.gov](mailto:radkem@michigan.gov).

cc: Michigan Education Alliance