



The New Federalism

**An Introductory Guide to the
Every Student Succeeds Act (ESSA)**

**Title II – Preparing, Training and Recruiting
Teachers, Principals or Other School Leaders**

Title II

Preparing, Training and Recruiting Teachers, Principals or Other School Leaders

Introduction

Title II is the main federal funding stream for teachers, principals and other school leaders. Like prior law, Title II under ESSA continues to focus on student achievement by improving teacher, principal and school leader quality. Under ESSA, there is a heightened emphasis on recruitment, preparation and professional development activities for principals and other school leaders (which include school district employees who are responsible for daily instruction and managerial operations of elementary and secondary schools). Overall, Title II's main teacher and principal professional development program remains a federal formula grant to states that in turn make formula grants to school districts. School districts maintain broad authority to use their Title II funds for a wide range of activities.

Major changes or highlights made by ESSA related to Title II

Federal to State Formula Change. Under prior law, Title II, Part A funds are distributed by formula to states. The formula is based on poverty and population. Thirty-five percent of funds are allocated based on each state's total population aged 5-17 and 65 percent of funds are allocated based on the population aged 5-17 living in poverty. There is a state minimum grant amount of 0.5 percent and there is a hold harmless at the FY2001 level.

ESSA makes changes to the formula for Title II, Part A over a period of four years. The formula is still based on poverty and population and there is a hold harmless to FY2001 levels. However, this hold harmless is phased out over six years and reduced by 14.29 percent each year. Any funding available above the hold harmless levels (as phased out) is then distributed based on poverty and population. The new law maintains the same 35/65 percentage split in 2017, but the percentage split begins to change in 2018. The intent is to focus funding more on children in poverty than overall population. The following chart breaks down the phased in formula changes for money above the hold harmless levels, as the hold harmless is phased out:

Year	Share of All Children	Share of Children in Poverty
2017	35%	65%
2018	30%	70%
2019	25%	75%
2020	20%	80%

State Reservation of Funds. Under prior law, states must subgrant 95 percent of funds to school districts. An additional 2.5 percent must be reserved to make subgrants to eligible partnerships (that must include an institution of higher education [IHE] with a teacher or principal education department, a school of arts and sciences within an IHE, and a high-need school district) for professional development for teachers, principals and paraprofessionals. The remainder of funds can be used for state activities.

ESSA allows states to use up to 1 percent of funds for administrative costs. Five percent of funds can be used for state-level activities. Of that 5 percent, not more than 2 percent may be used to establish or expand teacher, principal or other school leader preparation academies with some restrictions.

In addition, up to 3 percent of funding can be used, at the discretion of the state, for additional state activities specific to principals and other school leaders. This is an exception to the state requirement to subgrant 95 percent of funds. States could choose to subgrant 92 percent of funds and reserve the additional 3 percent for more systemic, state-level activities.

State Uses of Funds. Overall, providing ESSA acceptable uses of state funds are similar to those outlined in prior law with a few exceptions. ESSA outlines the following activities of which states must do one or more (different from prior law): assistance to school districts to design and implement teacher, principal and other school leader evaluations systems (note: these systems were required under waivers but are now optional); improving equitable access to effective teachers; reforming and improving teacher, principal and other school leader preparation programs; establishing or expanding teacher, principal and other school leader preparation academies (as noted above); supporting school library programs; training teachers, principals and other school leaders as well as specialized instructional support personnel to recognize child sexual abuse; supporting teacher, principal, other school leader and paraprofessionals joint efforts to address transitions to elementary schools; professional development for teachers, principals and other school leaders on how to better incorporate career and technical education; and training for teachers on the appropriate use of student data.

State to Local Formula Change. Under prior law and ESSA, school district funding also goes out by formula. Like the state, the formula is based on poverty and population. ESSA maintains the previous law's formula, which requires 20 percent of funds to be based on the total school-aged population and 80 percent of funds to be based on the school-aged population living in poverty. However, ESSA eliminates the hold harmless that was set to the FY2001 level.

Local Uses of Funds. ESSA provisions related to local uses of funds reflect much of what is allowable at the state level. ESSA outlines the following allowable activities (different from prior law): developing and improving evaluation and support systems for teachers, principals and other school leaders; recruiting, hiring and retaining teachers, particularly in low-income schools; supporting teacher, principal, other school leader and paraprofessionals joint efforts to address transitions to elementary schools; training, technical assistance and capacity building for teachers, principals and other school leaders on assessments; support identifying gifted and talented students; training teachers, principals and other school leaders as well as specialized instructional support personnel to recognize child sexual abuse; supporting school library programs; supporting professional development for teachers, principals and other school leaders on STEM and how to better incorporate career and technical education; and providing feedback mechanisms to improve school working conditions.

National Activities. Under prior law national activities under Title II contains five programs: the National Teacher Recruitment Campaign; School Leadership; Advanced Certification or Advanced Credentialing; Special Education Teacher Training; and Early Childhood Educator Professional Development.

ESSA Title II, Part B contains all national activities and is split into four subparts, each receiving a specific percentage allocation of the overall authorization (\$468,880,575 for each of fiscal years 2017 and 2018; \$469,168,000 for fiscal year 2019; and \$489,168,000 for fiscal year 2020):

Subpart	Program	2017-2019 Percentage	2020 Percentage
1	Teacher and Leader Incentive Program	49.1%	47%
2	Literacy Education for All, Results for the Nation	34.1%	36.8%
3	American History and Civics Education	1.4%	1.4%
4	Programs of National Significance	15.4%	14.8%

“Programs of National Significance” are further broken down into the following programs: “Supporting Effective Educator Development” (receiving not less than 74 percent of the subpart four allocation); “School Leader Recruitment and Support” (receiving not less than 22 percent of the subpart four allocation); “STEM Master Teacher Corps” which includes support for SEA/non-profit ability to provide effective professional development across the state (receiving not more than 2 percent of the subpart four allocation); and technical assistance (receiving not less than 2 percent of the subpart four allocation).

The “School Leader Recruitment and Support” program is the updated version of the “School Leadership” program previously authorized under national activities in prior law. This program provides support for the recruitment, preparation and retention of school leaders.

Teacher and Leader Incentive Fund. While the Teacher Incentive Fund (TIF) was not authorized under prior law it has received funding in past appropriations bills. The program provided competitive grants to school districts, or states, or partnerships of a school district, a state or both; and at least one nonprofit organization. The funds were used to develop and implement teacher and principal compensation systems.

ESSA updated the program and renamed it the Teacher and Leader Incentive Fund. While funds can still be used for teacher and principal compensation systems, they may also be used to implement, improve or expand human capital management systems for teachers, principals and other school leaders.

A human capital management system is defined as “a system by which a local educational agency makes and implements human capital decisions, such as decisions on preparation, recruitment, hiring, placement, retention, dismissal, compensation, professional development, tenure, and promotion; and that includes a performance-based compensation system.”

Highly Qualified Teacher. While prior law placed a major emphasis on highly qualified teachers, requiring that all teachers in Title I programs be highly qualified, ESSA eliminates those requirements. Instead, teachers working in Title I programs must meet applicable state certification and licensure standards.

Summary of Title II as amended by ESSA

Structure and Authorization Levels

Title II of ESSA has three parts. Part A, “Supporting Effective Instruction” includes formula grants to states and local educational agencies for professional development and other activities and programs to recruit, prepare, and retain teachers, principals and other school leaders. Part B is “National Activities” which is broken into four subparts as noted above. Part C is “General Provisions.”

State Funding and Activities. As noted above, state funding goes out by formula. In order to receive funds states must submit an application to the Secretary of Education with the law outlining what must be in the application. As described above, states retain 5 percent of grant funding with an optional and additional 3 percent that can be reserved specifically for principals and other school leaders. In general, the state has a good amount of flexibility in how it chooses to use the Title II, Part A funding reserved for state activities. The intent of the law is clearly to focus on teachers, principals or other school leaders and either implement or support professional development activities as well as other activities and programs to recruit, prepare and retain such individuals.

Local Educational Agency Funding and Activities. As noted above, the school district funding flows by formula from the state. School district must submit applications to the state. In developing the application, the school district must “meaningfully consult with teachers, principals, other school leaders, paraprofessionals (including organizations representing such individuals), specialized instructional support personnel, charter school leaders (in a local educational agency that has charter schools), parents, community partners, and other organizations or partners with relevant and demonstrated expertise.” They also are required to coordinate the school district’s activities “with other related strategies, programs, and activities being conducted in the community.” However, consultation cannot interfere with timely submission of the application.

In using the funds, a school district may work with a for-profit or nonprofit entity or in partnership with an institution of higher education or an Indian tribe or tribal organization. The uses of funds are very flexible and include a focus on recruiting, preparing and retaining teachers, principals or other school leaders. Class size reduction is still an allowable use as it was under the prior law.

National Activities

As discussed above, the “National Activities” Part is broken down into four subparts.

Teacher and Leader Incentive Program. As mentioned above, the purpose of this program is “to develop, implement, improve, or expand comprehensive performance-based compensation systems or human capital management systems for teachers, principals, or other school leaders (especially for teachers, principals, or other school leaders in high-need schools).”

Under this program, the Secretary awards competitive grants to eligible partnerships. These partnerships are defined as a local educational agency (including charter schools), or a consortium of local educational agencies; a state educational agency or other state agency designated by the chief executive of a state; the Bureau of Indian Education; or a partnership of the agencies previously described and at least one nonprofit.

Grants are awarded for a period of three years and may be renewed for up to two years if the grantees demonstrate to the Secretary that they are using the funds effectively. Renewal grants can be used for scale and replication efforts. A school district can only receive these grants twice. Each eligible entity that receives a grant must provide 50 percent matching funds (in cash or in kind) from non-federal sources.

Literacy Education for All, Results for the Nation (LEARN). The purpose of this grant is to support state and local literacy efforts from early education through grade 12. Under this program, the Secretary awards competitive grants to states (the state educational agency must collaborate with the state agency responsible for administering early childhood education programs and the state agency responsible for administering child care programs in the state) who then subgrant 95 percent of funds to eligible entities. An eligible entity is defined as:

- One or more school districts that serve a high percentage of high-need schools and have the highest number or proportion of children who are counted under Title I grants to school districts, in comparison to other school districts in the state; are among the school districts in the state with the highest number or percentages of children reading or writing below grade level, based on the most currently available state academic assessment data; or serve a significant number or percentage of schools that are implementing comprehensive support and improvement activities and targeted support and improvement activities;
- One or more early childhood education programs serving low-income or otherwise disadvantaged children, which may include home-based literacy programs for preschool-aged children, that have a demonstrated record of providing comprehensive literacy instruction for the age group such program proposes to serve; or
- A school district, described above or consortium of such school districts, or an early childhood education program, which may include home-based literacy programs for preschool-aged children, acting in partnership with one or more public or private nonprofit organizations or agencies (which may include early childhood education programs) that have a demonstrated record of effectiveness in improving literacy achievement of children and providing professional development in comprehensive literacy instruction.

The state must assure that:

- Up to 15 percent of funds are used for programs and activities to support children from birth through kindergarten entry;
- Up to 40 percent of funds are allocated equitably among the grades of kindergarten through grade five; and
- Up to 40 percent funds are allocated equitably among grades six through 12.
- Grants and subgrants are for five years.

The Secretary also may award competitive grants, contracts, or cooperative agreements to eligible entities for literacy programs in low-income communities, including for school library programs and early literacy services. For these grants, eligible entities are defined as a school district in which 20 percent or more of the students served by the school district are from families with an income below the poverty line; a consortium of those school districts; the Bureau of Indian Education; or an eligible national nonprofit organization (which is an organization that is supported by staff, and may include volunteers or affiliates at the state and local levels; and demonstrates effectiveness or high-quality plans for addressing childhood literacy activities for the targeted population).

American History and Civics Education. Twenty-six percent of authorized funds are allocated for Presidential and Congressional Academies for American History and Civics. The Secretary must award up to 12 competitive grants to eligible entities to establish these academies. Eligible entities are defined as an institution of higher education or nonprofit educational organization, museum, library or research center with demonstrated expertise in historical methodology or the teaching of American history and civics, or a consortium of these organizations. The grants are for up to five years.

Seventy-four percent of authorized funds are allocated for national activities. The Secretary must award competitive grants to eligible entities defined the same as above) to expand, develop, implement, evaluate, and disseminate innovative, evidence-based approaches or professional development programs in American history, civics and government, and geography. Grants are for up to three years and can be renewed for an additional two years.

Programs of National Significance

As noted above, this subpart contains four programs: “Supporting Effective Educator Development”; “School Leader Recruitment and Support”; “STEM Master Teacher Corps”; and technical assistance. This summary focuses on the first two of these four programs.

Supporting Effective Educator Development. These are competitive grants awarded by the Secretary to eligible entities. Eligible entities are defined as an institution of higher education that provides course materials or resources that are evidence-based in increasing academic achievement, graduation rates or rates of postsecondary education matriculation; a national nonprofit entity with a demonstrated record of raising student academic achievement, graduation rates and rates of higher education attendance, matriculation, or completion, or of effectiveness in providing preparation and professional development activities and programs for teachers, principals or other school leaders; the Bureau of Indian Education; or a partnership consisting of one or more of the above entities and a for-profit entity.

These grants are for up to three years and may be renewed for an additional two years. An eligible entity that must provide a 25 percent (in-cash or in-kind) funding share from non-federal sources. However, the Secretary may waive the cost-sharing requirement.

School Leadership Recruitment and Support. The Secretary must award competitive grants to eligible entities to improve the recruitment, preparation, placement, support, and retention of effective principals or other school leaders in high-need schools. An eligible entity is defined as a school district, including an educational service agency, that serves a high-need school or a consortium of such agencies; a state educational agency or a consortium of such agencies; a state educational agency in partnership with one or more school districts, or educational service agencies, that serve a high-need school; the Bureau of Indian Education; or any entity previously described in partnership with one or more nonprofit organizations or institutions of higher education.

As noted above, this program is an updated version of the School Leadership program in prior law. The grant is for up to five years and can be renewed for an additional two years. An eligible entity must provide a 25 percent (in-cash or in-kind) funding share from non-federal sources. However, the Secretary may waive the cost-sharing requirement.

Why does this matter to school boards?

Formula Change. The federal to state formula change in ESSA will mean that some states will gain funding, but some states will lose funding. The Congressional Research Service predicts that by the time the new formula is fully phased in (FY2023) the following states could see an annual allocation decrease by \$10 million dollars or more: Illinois, Louisiana, Massachusetts, Michigan, New York, Pennsylvania and Puerto Rico. The following states could see an increase of \$10 million or more: California, Florida, Georgia, North Carolina, Tennessee and Texas. It is also important to keep in mind that there is no longer a hold harmless in the formula funding from states to school districts.

3 percent Optional Reservation. As noted above, states now have the option of reserving up to an additional 3 percent of funds from the 95 percent allocated to districts for principals and other school leaders. This money can be used for systemic, infrastructure improvements for principals and other school leaders and may be especially beneficial to smaller districts that can tap into larger state programs and activities. However, if a state chooses to reserve funds, it will mean less direct money to districts.

Greater Emphasis on Principals and Other School Leaders. Congress seems to have placed a greater emphasis on support for principals and other school leaders in addition to teachers with Title II funding. It is important to note that a school leader is defined as a principal, assistant principal or other individual who is an employee or officer of an elementary school or secondary school, school district or other entity operating an elementary school or secondary school; and responsible for the daily instructional leadership and managerial operations in the elementary school or secondary school building. This is a broad definition and seems to include district managers and others.