

# SPOTLIGHT: EVERY STUDENT SUCCEEDS ACT



A FEDERAL FUNDS WATCH FROM LEGISLATIVE BUDGET BOARD STAFF

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On December 10, 2015, the President signed the Every Student Succeeds Act (ESSA), which reauthorized the Elementary and Secondary Education Act (ESEA) of 1965, legislation that governs federal education programs for kindergarten to grade 12, for four federal fiscal years (2017 to 2020). The changes affect the 2016–17 school year.

Compared to its predecessor, the No Child Left Behind Act of 2001 (NCLB), ESSA gives states more discretion and decision-making ability in several policy areas, including accountability and standards. Funding levels for **Title I Grants to Local Education Agencies**, which are distributed to states to help improve low-income student achievement, are authorized to increase each year from fiscal years 2017 to 2020.

## ACCOUNTABILITY

**Standards, Systems, and Assessments.** In accordance with NCLB, states had to meet federal accountability measures called adequate yearly progress (AYP). ESSA authorizes states to establish their own accountability systems and standards. Standards should align with college and career-ready standards. **Figure 1** shows required accountability indicators. The state’s accountability system must differentiate schools based on these indicators.

**FIGURE 1**  
**EVERY STUDENT SUCCEEDS ACT REQUIRED ACCOUNTABILITY INDICATORS, FISCAL YEARS 2017 TO 2020**

HIGH SCHOOLS	ELEMENTARY/MIDDLE SCHOOLS
Test scores	Same
States may use test scores as a student growth measure	Measure of student growth or academic indicator
English language proficiency for English learners	Same
An indicator of school quality or success	Same
Graduation rates	N/A

SOURCES: Legislative Budget Board; Alliance for Excellent Education.

In addition, states no longer have to identify schools for improvement, corrective action, or restructuring based on AYP. Instead, they will identify the lowest-performing 5.0 percent of **Title I** schools, high schools with high dropout rates, and those where subgroups are well below standards.

As with NCLB, states must test students in reading/language arts and math in grades three to eight and once in high school, and science three times in grades three to 12. ESSA, however, includes other markers of student progress and school performance, not just test scores.

High schools may use nationally recognized, state-approved assessments. States may develop new, innovative assessments and use Federal Funds to audit assessments.

**State Plan.** The Texas Education Agency (TEA) is required to submit a **Title I** plan to the U.S. Department of Education (USDE). TEA must develop the plan by consulting with the Governor, the Legislature, and other stakeholders.

**Teacher Quality and Evaluation.** ESSA eliminates federal requirements for highly qualified teachers for low-income students. No federal teacher evaluation mandates are included.

## PROGRAM CHANGES

**Eliminated Programs.** ESSA eliminates many programs and transfers some of their functions to new or existing programs. The **School Improvement Grant (SIG)** is eliminated. Instead, ESSA increases funding for **Title I Grants to Local Education Agencies**. Starting in fiscal 2018, Texas must set aside 7.0 percent for school improvement.

Other programs such as **Striving Readers, Mathematics and Science Partnerships, Safe and Drug-Free Schools, and Advancement Placement** are also eliminated.

**New Programs.** The **Student Support and Academic Enrichment Grant**, a new formula block grant, may be used to provide students with a well-rounded education; improve learning conditions and student health and safety; and increase technology use. Funding is based on a state’s prior year Title I proportion. Using this formula, Texas is estimated to receive \$147.9 million in fiscal year 2017.

ESSA also established new competitive grants. Within **Literacy Education for All, Results for the Nation**, two grants enable states to make or improve literacy instruction plans and provide literacy programs in low-income areas. In addition, **Family Engagement in Education** grants will establish centers to

provide parental education and engagement programs. **Grants for Education Innovation and Research** fund evidence-backed initiatives to increase high-need student achievement.

**Title II.** ESSA renames **Improving Teacher Quality State Grants** as **Supporting Effective Instruction**, phases out the Eisenhower Professional Development hold-harmless base allocation, and changes formula weights. In fiscal year 2017, the formula weights will be the state’s share of school-aged children living in poverty (65.0 percent) and share of school-aged children (35.0 percent). In fiscal year 2020, these weights will change to 80.0 percent and 20.0 percent, respectively. In fiscal year 2023, the hold-harmless provision will be eliminated, and grants will be distributed by formula.

The **Teacher Incentive Fund** is renamed the **Teacher and School Leadership Incentive Program** and requires a 50.0 percent match.

**KEY FUNDING CHANGES**

**Title I.** In Texas, **Title I Grants to Local Education Agencies** are estimated to increase from \$1.4 billion in fiscal year 2016 to \$1.5 billion in fiscal year 2020. This is due, in part, to the fact that some funds must be set aside for school improvement. The set-aside is estimated to increase from \$97.6 million in fiscal year 2017 to \$103.8 million in fiscal year 2020. **Figure 2** shows Title I program funding estimates.

ESSA also includes a new pilot program, **Flexibility for Equitable Per-Pupil**, in which a total of 50 school districts nationwide can combine state, local, and federal funding for multiple programs (Titles I to IV). Districts can make their own formulas to distribute combined resources to schools with the most need.

**Titles III to IX.** Nationally, ESSA increases funding levels for

**English Language Acquisition Grants** from \$737.4 million in fiscal year 2016 to \$885.0 million in fiscal year 2020. Funding levels for **21st Century Community Learning Centers** decrease from \$1.2 billion in fiscal year 2016 to \$1.0 billion in fiscal year 2017, then increase to \$1.1 billion in fiscal years 2018 to 2020.

**Maintenance of Effort (MOE).** ESSA keeps previous MOE and nonsupplanting requirements, but local education agencies can avoid penalties if they meet the requirement in five previous fiscal years. Waivers are also authorized for “exceptional or uncontrollable circumstances” such as a decrease in state resources.

Funding for **Impact Aid**, which compensates school districts for lost revenue due to federal property, remains constant until fiscal year 2020, when funding levels increase 8.0 percent.

**NON-ESEA PROVISIONS**

**McKinney–Vento Homeless Assistance Act.** ESSA increases funding levels for **Education for Homeless Children and Youth** from \$70.0 million in fiscal year 2016 to \$85.0 million in fiscal years 2017 to 2020.

**Preschool Development Grants.** ESSA authorizes \$250.0 million in annual funding for competitive preschool grants. The USDE and U.S. Department of Health and Human Services will administer the program. These grants will help states develop and implement early childhood education plans, optimize partnerships between Head Start providers and other organizations, and increase parental choice. The grants require a 30.0 percent match.

**CONTACT**

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The Federal Funds Analysis Team of the Legislative Budget Board conducts research on federal legislation and federal funding issues that impact the state budget.

**FIGURE 2**  
**ESTIMATED FEDERAL ALLOCATIONS TO TEXAS FOR SELECTED GRANT PROGRAMS, FEDERAL FISCAL YEARS 2016 TO 2020**

PROGRAM	(IN MILLIONS)				
	2016	2017	2018	2019	2020
Title I: Grants to Local Education Agencies	\$1,366.3	\$1,375.6	\$1,416.4	\$1,456.7	\$1,482.9
Title I: School Improvement Set-aside	\$97.6	\$97.6	\$99.2	\$102.0	\$103.8
Title I: Education of Migratory Children	\$58.2	\$58.2	\$58.2	\$58.2	\$58.2
Title I: Neglected and Delinquent Children and Youth	\$2.2	\$2.2	\$2.2	\$2.2	\$2.2
Title II: Supporting Effective Instruction	\$186.9	\$192.7	\$192.7	\$192.7	\$192.7
<b>Total Selected Programs</b>	<b>\$1,613.6</b>	<b>\$1,628.7</b>	<b>\$1,669.5</b>	<b>\$1,709.8</b>	<b>\$1,736.0</b>

NOTES:

- (1) School improvement set-aside amounts are a subset of Title I funds and are not included in total.
- (2) Amounts shown for fiscal year 2016 Title II funds are for Improving Teacher Quality. Due to the Every Student Succeeds Act (ESSA), the program is renamed in fiscal year 2017.
- (3) Amounts shown are authorized by ESSA; actual amounts or appropriations may differ.

SOURCES: Legislative Budget Board; Federal Funds Information for States; U.S. Department of Education.