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To: Chief School Administrators
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From: Isaac Bryant, Assistant Commissioner
Division of Student Services

Subject: Districts That Refuse Title I Funds or Skip Eligible Schools

The *No Child Left Behind Act of 2001* (NCLB) introduced new levels of accountability tied to the federally funded programs originally authorized under the Elementary and Secondary Education Act (ESEA). NCLB drives accountability to the school level with the intention that all students will meet state proficiency standards by 2014. Schools that do not meet adequate yearly progress (AYP) in reaching the incremental proficiency goals are placed into improvement status and Title I-funded schools must implement sanctions such as school choice and supplemental educational services (SES). Some districts have chosen to refuse their Title I funds or not serve eligible Title I schools in need of improvement to avoid applying the provisions of the law. Although permitted, this subverts the intent and spirit of NCLB.

Title I, which is the largest of the NCLB entitlement programs, is allocated to school districts based on the number of low-income students residing in the district. The Title I allocation is in turn used as a basis to determine the funds allocated for other NCLB programs. As such, refusal of Title I funds will ultimately affect the funding of other federal programs.

What are the responsibilities and consequences for school districts that do not accept all or part of their Title I funds?

Districts that refuse some or all of their Title I, Part A or other NCLB funds must still meet the following requirements:

- Participate in the state assessment system (including language arts literacy and mathematics) for grades 3, 4, 8, and 11, and additional grades in the future, as prescribed by NCLB and the New Jersey Single Accountability System.

- Determine AYP for all schools. Identify which schools in the district have not made AYP and track which year in the NCLB improvement cycle these schools are, to ensure implementation of NJDOE-determined sanctions (to be published at a later date).
- Notify the public and the parents of the AYP status of the schools and inform them if their child’s school is identified as in need of improvement.
- Ensure that teachers of core academic subjects are highly qualified.
- Implement the unsafe school choice provisions.

The following federal requirements also apply for districts that accept *any* NCLB funds:

- Comply with the military recruitment provisions.
- Certify there are no policies interfering with constitutionally protected prayer.
- Implement the unsafe school choice provisions.

Districts accepting *any* funds from the U.S. Department of Education must do the following:

- Provide equal access to Boy Scouts and other similar groups for meetings.

Which funds would be impacted if a district refuses Title I funds?

Refusal of Title I, Part A funds has an impact on the funding that districts would receive under the following NCLB programs, since the Title I, Part A formula determines the amount of funding for these programs.

Entitlement Grants

- Educational Technology State Grants (Title II, Part D, Subpart 1)
- Safe and Drug Free Schools and Communities (Title IV, Part A)

Discretionary Grants

- Reading First (Title I, Part B, Subpart 1)
- 21st Century Community Learning Centers (Title IV, Part B)

The NJDOE Office of Grants Management will be making funding adjustments for districts that refuse Title I funds.

Districts would still be eligible for other federal programs not funded under NCLB, such as the following:

- Carl D. Perkins Vocational and Technical Education Act
- The Adult Education and Family Literacy Act
- Individuals with Disabilities Education Act (IDEA)
- McKinney-Vento Homeless Assistance Act (except Education for Homeless Children and Youth, subtitle B)
- Other discretionary funds

What happens if a district “skips” an eligible Title I school?

If a district chooses not to serve an eligible Title I school, or “skips” that school, and serves other schools with a lower percentage of poverty (calculations determined on the Eligibility screen of the NCLB on-line application), certain requirements still apply. The district must notify the

public and the parents of the AYP status of the school and inform them if the school is identified as in need of improvement. The Title I sanctions for schools in need of improvement, however, including school choice and/or supplemental educational services, would not apply.

Although a district can, in effect, opt out of Title I or choose not to serve an eligible school or school in need of improvement with Title I funds, the district should keep the following in mind. Any skipped eligible schools must be served with equivalent local or other funds, and the district must provide documentation to that effect, which is submitted along with their NCLB consolidated application. Districts would be well advised to address deficiencies with other available funds if they refuse all Title I funds. The district is ultimately accountable for the performance of its schools. Although not served with Title I funds, the deficient AYP status of schools will be apparent when the district completes its QAAR and 7-Year Certification Process (or NJQSAC, when available) and receives its assessment results and AYP status notifications.

The goal of all New Jersey educators is to provide the most effective and valuable learning experience to all New Jersey children. Federal funds provided through Title I offer additional opportunities to serve the state's lowest-performing students. Districts are encouraged to accept their Title I funds and apply them appropriately. Assessment results and AYP calculations are tools to identify both the strengths and weaknesses of each school to help districts adjust their programs and instructional methods to increase academic achievement for all students.

More information on NCLB and the New Jersey Accountability System is posted on the NJDOE Web site at www.nj.gov/njded/title1.

If we can be of assistance to you in any of these matters, please contact Suzanne Ochse, director, Office of Title I Program Planning and Accountability at 609-943-4283. Thank you.

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