



**Evaluation of Flexibility Under *No Child Left Behind*:  
Volume II—Transferability**



# **Evaluation of Flexibility Under *No Child Left Behind*: Volume II—Transferability**

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## Executive Summary

Flexibility is a lever for change that occupies an increasingly prominent place in federal strategies for educational improvement. Although often implemented in complex ways, the basic logic underlying its approach can be summarized quite succinctly. Flexibility assumes that local actors are in the best position to identify the most serious problems facing schools and students and determine how to solve them. Consequently, these actors should be given greater decision-making authority to allocate resources, including federal funds, to the programs for which they will do the most good.

The *No Child Left Behind Act of 2001 (NCLB)* provides additional flexibility to local school districts while simultaneously requiring increased accountability. This study focuses on the additional funding flexibility offered to all school districts via the Transferability provision of *NCLB*. Under Transferability, districts generally may transfer up to 50 percent of their initial formula allocations into and out of the following *Elementary and Secondary Education Act (ESEA)* programs:

- Title II, Part A (Improving Teacher Quality State Grants)
- Title II, Part D (Educational Technology State Grants)
- Title IV, Part A (Safe and Drug-Free Schools and Communities State Grants)
- Title V, Part A (State Grants for Innovative Programs).

Furthermore, districts may move funds from the above-listed programs into, but not out of, Title I, Part A (Improving the Achievement of Disadvantaged Children). A district that has been identified for improvement may transfer no more than 30 percent of the formula funds allocated to it for a given fiscal year under each of the four programs listed above and the funds must be transferred either to its allocation under *ESEA*, Section 1003, or to one of the listed programs for improvement activities consistent with *ESEA*, Section 1116. Those districts identified for corrective action may not transfer any funds.

The following five research questions guided the study:

- 1) How many districts use Transferability? To what extent do districts make use of the various flexibility provisions in Transferability? What are the characteristics of school districts that exercise this authority?**
- 2) How are districts using Transferability and which programs are affected?**
- 3) What educational goals or objectives do districts choose to focus on with these funds?**
- 4) Do districts that exercise Transferability authority make progress in the areas or priorities toward which they targeted eligible funds?**
- 5) How well does Transferability meet the needs of school districts to effectively use federally derived educational funding?**



A nationally representative sample of school districts was surveyed in order to examine these questions, supplemented by case study interviews in a small subset of the districts. For questions 4 and 5, the survey did not include outcome measures, so it is only possible to offer some preliminary findings related to these questions. A total of 372 districts responded to the survey, and 12 completed case study interviews. The data were collected between October 2005 and February 2006. There were five primary findings:

1. Approximately 16 percent of all school districts reported using Transferability, but conflicts between district and state reports suggest there was considerable confusion about this option.
2. Districts exercising Transferability and those not utilizing this type of flexibility were similar demographically.
3. Under Transferability, Title I, Part A, and Title V, Part A, received the greatest influx of transferred funds while districts also moved more money out of Title II, Part A, than any other program.
4. Districts reallocated funds under Transferability in order to make adequate yearly progress (AYP).
5. Reduced funding and spending restrictions led many districts to use the Transferability provision, though not all. However, some districts did not participate in Transferability because of perceived adequate existing flexibility, the amount of eligible funds, and insufficient information about Transferability.

***There were conflicts in district and state reports about Transferability participation.***

Based on district reports, an estimated 16 percent of districts nationwide used the Transferability option, while state lists of Transferability participants indicate a slightly lower usage rate (12 percent).<sup>1</sup> ***District and state reports sometimes did not agree about whether a particular district was using Transferability.*** Among districts that reported using Transferability, about 10 percent were not on the states' lists of districts that had given notice of their intent to use the provision. Conversely, approximately 25 percent of districts on the states' lists of Transferability users did not report actually using the provision.

One might expect that these figures should not include REAP Flex eligible districts, because REAP Flex would give these rural districts even greater flexibility than Transferability. However, the state lists of Transferability participants indicated that 23 percent of districts reportedly participating in Transferability were also eligible for REAP Flex. As this makes up

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<sup>1</sup>The standard error on the estimate for the rate of Transferability participation from the survey results was large, because there were a small number of districts that were not on the state lists but reported using Transferability and these districts ended up representing a large number of districts nationally. Weighted results from district surveys suggested that Transferability participation ranges between 12 percent and 21 percent of districts nationwide.

such a large portion of Transferability participants, the Transferability survey was conducted in a sample that is representative of all school districts and not just those that were not eligible for REAP Flex.

This suggests that states did not have accurate information about which districts were using Transferability. Some districts may have confused Transferability with other flexibility programs, did not know they needed to notify the state, or chose not to provide this notification. Also, states may not have asked for this information or kept accurate and up-to-date lists.

Further, despite a statutory requirement that no more than half of funds allocated to any particular program can be moved, 21 percent of districts using Transferability reported that they moved more than 50 percent of funds out of at least one program. This may also indicate that some of the districts that indicated they were using Transferability were actually using REAP Flex. This is added confirmation of district confusion.

While some districts did not have correct information about whether they were using Transferability and how they were allowed to use it, the information that they did have came primarily from the state. The vast majority of districts that used Transferability, 86 percent, looked to their state education agencies for guidance on the provision's rules and regulations. Significantly fewer nonparticipants, 57 percent, obtained information from the state, implying that some states were not getting Transferability information out to the districts not already using the program, or that some states did not have a notification system in place.

***Transferability users and nonusers were similar demographically.***

There were no significant differences between users and non-users in terms of size, poverty level, percent federal funding, percent Transferability-eligible funding, or revenue per student. Given these financial similarities, it is not surprising that both Transferability users and nonusers justified their decision regarding participation in the program by saying that their districts were experiencing reductions in overall funding. The reduced revenue led some officials to employ Transferability in order to continue to fund high priority programs. For others, the reduced funding made the provision an implausible option because they did not have enough money to pay for current programs, much less enough to move money *out* of any NCLB programs.

***Under Transferability, Title I, Part A, and Title V, Part A, received the greatest influx of funds while districts moved more money out of Title II, Part A, than any other program.***

Per student funding of Title V, Part A, increased by an average of 134 percent under Transferability, while the somewhat larger dollar per student shift to Title I, Part A, represented only a 3 percent increase from the overall initial allocation. The program with the greatest reduction of funds was Title II, Part A, Improving Teacher Quality. After exercising Transferability, this program saw an average 21 percent decrease in per student funding.

***Money moved under Transferability was focused on initiatives aimed at making AYP.***

Most districts using Transferability (87 percent) reallocated money so that high priority programs, such as those focused on the goals listed above, would receive more funding. In a free

response section on the survey, researchers found that improving teacher quality was the most common goal associated with the reallocated funds (43 percent of respondents). Other common goals included increased focus on Title I students, technology, math, and literacy. These pieces were often all part of the same districts' responses—in other words, even though each goal is important alone, they are not to be thought of as separate from one another. Together, they make up one larger goal for survey respondents—making AYP.

District officials believed that Transferability was helpful in working toward those goals, although they hesitated to draw strong causal relationships between the program and student achievement. This is understandable. Not enough time has accrued to gather sufficient data, and, even then, it would be difficult to separate the effects of the program from other factors. Many interviewees pointed out that while the added flexibility does help, most of the goals and activities would be the same with or without Transferability.

***Reduced funding and spending restrictions led many districts to use the provision. However, existing adequate flexibility, the amount of eligible funds, and inadequate information were the three primary reasons districts did not participate in Transferability.***

Another common reason for utilizing Transferability was that some federal education programs place more restrictions on how money can be spent than others. Some districts saw Transferability as an option to move funding from a more restrictive program like Title IV, Part A, to a less restrictive one like Title I.

The top three responses for why districts did not use Transferability were:

- 44 percent of districts believed they already had enough flexibility over use of funds without Transferability.
- 35 percent of districts believed that the amount of funds in applicable categories would have been too small to carry out desired activities effectively even after exercising the Transferability option.
- 29 percent of districts did not have enough information or were not aware of Transferability.

Beyond providing additional funds via Transferability, which is outside the scope of flexibility programs, the most popular change posed on the survey was to remove the stipulation that transferred funds be subject to all of the rules and requirements of the recipient program.

Combined, these findings suggest that the Transferability provision was generally liked by those districts that both understand and use it, but that many districts who might benefit from the program did not use it because of a lack of information and a belief that the amount of eligible funds is too small to make a real difference.

# **1. Introduction**

## **Transferability**

One of the broadest forms of flexibility introduced in *NCLB* is the Transferability authority. Transferability allows state education agencies to transfer up to 50 percent of a fiscal year's nonadministrative funds allocated for state-level activities under certain programs. Similarly, the Transferability authority allows local education agencies generally to transfer up to 50 percent of the formula funds allocated to certain federal programs in order to address local priorities. (The amount available for transfer decreases to 30 percent of formula allocated funds for districts designated for improvement (and the transferred funds must be used for LEA improvement activities), while districts identified for corrective action may not exercise Transferability.) The Transferability authority also improves upon earlier flexibility initiatives by imposing fewer participation barriers on states and districts. Although no additional resources are made available to states and districts using the authority, the enhanced flexibility under the Transferability authority enables them to redirect a potentially large sum of existing federal funds to different programs with the assumption that reallocation of funds to high priority areas will help participants make adequate yearly progress (AYP).

A list of federal program funds eligible under the Transferability provisions appears in Exhibit 1. There are certain limitations placed on this authority. Funds can be transferred into but not out of Title I, Part A, programs. State education agencies (SEAs) may transfer only nonadministrative funds associated with state-level activities (although flexibility over administrative funds is authorized under Title IX of *ESEA*), while local education agencies (LEAs) may transfer only federal funds allocated on a formula basis (and, as noted above, there are further restrictions for districts identified for improvement or corrective action).

**Exhibit 1**  
**Federal Programs Eligible for Transferability**

Funding Category	SEA Transferability		LEA Transferability	
	From	To	From	To
Title I, Part A Improving the Achievement of Disadvantaged Children		X		X
Title II, Part A Improving Teacher Quality State Grants	X	X	X	X
Title II, Part D Educational Technology State Grants	X	X	X	X
Title IV, Part A Safe and Drug-Free Schools and Communities	X	X	X	X
Title IV, Part B 21st-Century Community Learning Centers	X	X		
Title V, Part A State Grants for Innovative Programs	X	X	X	X

Exhibit reads: Both states and districts may transfer funds into but not out of Title I, Part A.

Source: <http://www.ed.gov/programs/transferability/finalsummary04.doc>. June 2006.

Transferred funds are subject to the rules and requirements (including set-asides) of the programs to which they have been redirected. Many of the federal programs require local districts to set-aside a certain percentage of allocated funds for special uses and transferred funds are not exempt from the calculations. For example, 25 percent of the formula funds a district receives under Title II, Part D, must be set-aside for professional development activities. Therefore, 25 percent of incoming funds under Transferability authority must also go to professional development activities. At the same time, districts reduce the base for determining set-asides when transferring funds out of a particular program.

While there are limitations on the use of Transferability authority, participation is relatively simple. There is no application process that might discourage potential users. District eligibility is automatic and can only be affected by consistent failures to make AYP. For example, districts that have not made AYP for two consecutive years and are identified as in need of improvement cannot transfer more than 30 percent of formula funds from eligible programs. Furthermore, they must use this money to support district improvement efforts. School districts that have been identified for corrective action may not exercise the Transferability option. As with districts, states also enjoy automatic eligibility but are not subject to the 30 percent rule nor are they prohibited from using the program if they do not meet accountability requirements for a certain amount of time.

Additionally, there are only minor administrative requirements for states and districts that wish to use the Transferability authority. First, districts must consult with area private school officials in order to satisfy equitable participation provisions specified under Section 9501 of *ESEA*. The equitable participation provisions require that districts receiving federal funds provide equitable services and benefits to eligible students and teachers at private schools. Because changes in the

use of federal funds under Transferability may have an impact on current services and benefits offered within the district, private school officials must be consulted before any decision on transfers are made. Second, states and districts are required to notify the appropriate agencies of their transfer decisions at least 30 days in advance with a detailed plan of the amounts to be transferred, the programs involved, and the dates for transfer. For states, the appropriate agency to notify is the U.S. Department of Education. Districts, on the other hand, report to their state education agency (see Exhibit 2). Any and all changes with regard to the transfer notices require their resubmission 30 days before any new transfers are to be made. If decisions to transfer funds (including any subsequent changes to those decisions) impact state or local education plans, the revised transfer notices must include updated versions of these documents as well.

## **Exhibit 2**

### **State Education Agency and Local Education Agency Notification Checklist**

An SEA must notify the U.S. Department of Education of:

- ☐ The program(s) from which funds are to be transferred;
- ☐ The amount, and federal fiscal year, of funds to be transferred;
- ☐ The program(s) to which the funds will be transferred;
- ☐ The effective date for the transfer; and
- ☐ A point of contact for the transferability authority.

An LEA must notify its SEA of:

- ☐ The program(s) from which funds are to be transferred and to which funds will be transferred;
- ☐ The amount, and federal fiscal year, of funds to be transferred (subject to the 50 percent or 30 percent limitation);
- ☐ The program(s) to which the funds will be transferred; and
- ☐ The effective date for the transfer.

Source: "Guidance on Transferability Authority," U.S. Department of Education, June 8, 2004. Available online at: <http://www.ed.gov/programs/transferability/finalsummary04.doc>. Accessed March 2006.

The Transferability authority offers extensive flexibility to local education systems. Moreover, it also has the potential to engender widespread participation across districts and states by forgoing applications and imposing few administrative burdens on users. However, according to information gathered from all 50 states and the District of Columbia, 12 percent of districts (1,834 districts) had notified their state of plans to take advantage of Transferability. This number would be similar if REAP Flex eligible districts were not included in the estimate (see below).

As part of a larger study of federal flexibility programs, the U.S. Department of Education commissioned the Urban Institute to conduct a study of Transferability authority at the district level. This included collecting nationally representative survey data and conducting a series of

case studies of districts eligible to use Transferability. Five research questions guided the larger study of flexibility, as well as this report, which focuses on Transferability:

- **Question 1: Use of Transferability and Characteristics of Users**

How many districts use Transferability? To what extent do districts make use of the various flexibility provisions in Transferability? What are the characteristics of school districts that exercise this authority?

- **Question 2: Patterns of Exercising Transferability**

How are districts using Transferability exercising this flexibility and which programs are affected?

- **Question 3: Strategic Planning for Flexibility**

What educational goals or objectives do districts choose to focus on with these funds?

- **Question 4: Transferability Progress**

Do districts that exercise Transferability authority make progress in the areas or priorities toward which they targeted eligible funds?

- **Question 5: Flexibility Needs**

How well does Transferability meet the needs of school districts to effectively use federal educational funding?



## 2. Methodological Design

Survey and interview data<sup>2</sup> provided a description of Transferability program participants, nonparticipants, and uses of Transferability. The data were collected between October 2005 and February 2006. Surveys sent to districts nationwide generated the quantitative data (see Appendix C for the survey instrument). The survey response rate was 86 percent, with 320 of 372 districts completing the survey. Interviews with survey respondents, eight Transferability users and four nonusers, supplied the qualitative data (see Appendix D for interview protocols).

The sample of districts surveyed was selected from lists provided by states. The state lists indicated that 23 percent of Transferability participants were REAP Flex eligible. This was surprising, because REAP Flex offers rural districts even greater flexibility. As a result, these districts were included in the sample, in order to have a representative sample of Transferability participants.<sup>3</sup> Each state identified the districts that had notified the state of intent to use Transferability. These lists were used to draw an equal number of users and nonusers of Transferability to participate in the study.

Based on the state lists and district survey responses, most districts could be assigned to one of two groups: districts that the states listed as Transferability users and that reported using Transferability on the survey; and districts that the states did not list as intending to use Transferability and did not report using Transferability. That is, these districts provided data that agreed with state identification of Transferability status.

There were 50 respondents from our sample of 372 districts that did not fall clearly into either the user or nonuser category because the state lists and district survey responses did not coincide. There were 12 districts that reported they were users, but the state lists did not include them. The other 38 were included in the state list of users, but claimed to be nonusers.

The 12 districts that were listed as nonusers by their state but reported themselves to be users in their surveys, posed a potential significant analytic problem. The sample was selected on the basis of the state lists.<sup>4</sup> Because nonusers far outnumbered users (13,931 vs. 1,834), nonusers were selected with a much lower probability. Thus, the 12 districts, presumed to be nonusers at the time of sampling, were selected with a low probability. If the original probability of selection is used to determine the weight for these districts, they would account for a large share of the total weight in the analysis. As a consequence, this relatively small part of the sample would have a disproportionately large influence on the final estimates. However, a disadvantage of excluding districts that did not correspond to state lists would be that the results presented would not be nationally representative.

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<sup>2</sup> Full description of methodological design can be found in Appendix A and exhibits with standard errors may be found in Appendix B.

<sup>3</sup> Initially, it was expected that REAP Flex eligible districts would not use Transferability and could be excluded from the sample, because REAP Flex offers these districts an even higher level of flexibility.

<sup>4</sup> These twelve districts were drawn from a sampling frame of 13,931 districts. The other 116 users were drawn from a sampling frame of 1,834 districts.

As a result, the quantitative analysis used adjusted weights to allow for a representative sample while limiting the variance that would be introduced by using a full sample weight. In this method of weighting, the proportion of the total weight assigned to districts incorrectly identified as nonusers was adjusted to reduce the mean squared error of the results.<sup>5</sup> The proportion of the weight that minimized the mean squared error varied by survey question. The median of the proportions that minimized the mean squared error across key survey items was 28.75 percent of the weight.<sup>6</sup> These results are also presented in Appendix B. When fully or adjusted weighted results differed from those reported in the body, it is noted. Additional analysis using full weights and only the districts that corresponded to state lists did not lead to substantive changes in the results.

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<sup>5</sup> This term reflects a tradeoff between the bias created by assigning any weight other than the full weight to the data and the increase in variance caused by assigning a sample weight.

<sup>6</sup> See Appendix A for a full discussion of the derivation of this proportion.

### 3. Results

#### Who Uses Transferability: Characteristics of Users and Nonusers

*States did not always have accurate information about the districts using Transferability, and some districts were confused about the names of different flexibility programs.*

As reported above, there was substantial discrepancy between the state lists of districts using Transferability and district survey responses. Of the 154 district respondents that states indicated were users, only 116 reported using Transferability. Similarly, 12 of the 162 state identified nonusers appeared to actually use Transferability. This indicated that states did not have accurate information about which districts would be using Transferability. There was confusion on the part of both the districts and the states. Districts' status may not have corresponded with state lists because districts did not realize they were using a different flexibility program, did not know they needed to notify the state, or because districts knowingly chose not to notify the state.

This widespread confusion is perhaps the most salient finding of the report. Districts often did not know what the provision was, how they could use it, or even whether they were currently using it. States provided inaccurate lists of which districts were using the provision, despite the finding that states were the most useful source of information for districts about the program.

One implication of discovering this confusion is that while state lists indicated that only 12 percent of all districts were participating in Transferability, there is a possibility that substantially more districts are using the provision. Roughly 10 percent of districts that indicated they participated in Transferability were not on the states' lists of identified users. Conversely, approximately 25 percent of district respondents that were on states' lists as "users" indicated that they did *not* participate in the program. Weighted results suggested that 1,683 to 2,949 districts, or between 12 percent and 21 percent of all districts nationwide, used Transferability. This was slightly more than state data predicted, but it is important to note that this range is influenced by the 12 heavily weighted districts originally identified as nonusers by their states and was based on a small sample size.

One might expect that these figures should not include REAP Flex eligible districts, because REAP Flex would give these districts even greater flexibility than Transferability. REAP Flex is a program for rural school districts, which allows 100 percent of funding in applicable programs to be used for any activity authorized in one or more of the applicable *ESEA* programs, without regard to statutory set-asides. As result, it would make sense for eligible districts to take advantage of this program, however, state lists of Transferability participants indicated that 23 percent of districts participating in Transferability were eligible for REAP Flex. If these districts had not been included, the state lists indicated that 11 percent of districts nationwide used Transferability. If REAP Flex districts had also been omitted from the survey results, weighted results would suggest that between 13 percent and 21 percent of non-REAP Flex eligible districts used Transferability. This again heavily weighted by districts originally identified as nonparticipants by their states.

***Transferability participants planned to use the program for multiple years, and a large percentage of nonparticipants indicated plans to exercise Transferability in the future.***

The group of Transferability users was relatively stable: of the Transferability participants in the study, 83 percent had used Transferability prior to 2004–05 and 74 percent of them planned to use it again in 2005–06 (see Exhibit 3). In contrast, only 11 percent of nonusers had previously taken advantage of Transferability provisions. This is significantly less than the 84 percent of users that had previously participated in the program (standard errors for all results can be found in appendix tables). Past use of Transferability was a good indicator of future use, although this was not the case for all districts. A substantial group of nonusers, 59 percent, reported that they were planning on using Transferability in 2005–06. This large number of potential future users could be interpreted in many ways. It is possible that these districts were anticipating changes in their budgets and felt that they would need to use Transferability to compensate. It is also possible that participation in the survey made them more aware of the program, and thus increased their interest in Transferability.

**Exhibit 3**  
**Usage Patterns of Transferability, Participants vs. Nonparticipants**

	<b>Transferability Participants</b>	<b>Transferability Non- participants</b>
Used Transferability Prior to 2004–05	83%*	11%*
Planned to use Transferability in 2005–06	74%*	59%*

Exhibit reads: Among current Transferability users, 83 percent participated in Transferability in previous school years and 74 percent planned on using it in 2005–06.

Note: Statistically significant differences indicated with asterisks ( $p < .01$ ). See Exhibit B-1 for standard errors.

Source: District Administrator Survey # 8, 9, 22, and 23.

***There are not significant differences between users and nonusers in terms of poverty or the amount of federal program funds received.***

In order to better understand what differentiates districts that took advantage of Transferability from those that did not, districts were compared to each other using basic descriptive variables (see Exhibit 4). The percentage of students living in poverty in Transferability districts was, on average, higher than that in non-Transferability districts; however, the difference was not statistically significant. In addition, the average daily attendance was 285 students higher among Transferability participants, but this difference was not statistically significant. The differences between participants and nonparticipants in the percentage of federal funds and Transferability-eligible funds were very small and also did not reach statistical significance. Districts that used Transferability had, on average, 0.2 percent more Transferability-eligible funds (from Title II, Part A, Title II, Part D, Title IV, Part A, and Title V, Part A) than districts that did not use Transferability. Interestingly, even though Transferability participants seemed to have more Transferability-eligible funding, non-Transferability districts appeared to have slightly more total federal funding as a percentage of their total revenue, although the difference was less than 1 percent of districts' total revenue.

**Exhibit 4**  
**Comparison of Transferability, Participants vs. Nonparticipants, Based on Key Defining Variables**

	<b>Transferability Participants</b>	<b>Transferability Nonparticipants</b>	<b>Difference Between Participants and Nonparticipants</b>
Percent Poverty <sup>a</sup>	15.0%	14.5%	0.5%
Percent Federal Funding <sup>b</sup>	8.0%	9.8%	-1.8%
Percent Eligible Funding <sup>c</sup>	1.1%	0.9%	0.3%*
Average Daily Attendance <sup>d</sup>	3,461	3,176	285

<sup>a</sup> Based on the percent of school age children in the district living below the poverty line (2000 Census data).

<sup>b</sup> Percent total revenue from federal, state, and local sources (based on 2003 Common Core of Data).

<sup>c</sup> Percent total revenue from federal, state, and local sources (not counting Title I, Part A).

<sup>d</sup> Based on 2003 CCD data.

Exhibit reads: Participants had 0.3 percent more Transferability-eligible funding on average than nonparticipants. Note: Statistically significant differences indicated with asterisks ( $p < .05$ ). Differences between participants and nonparticipants reflect rounding.

Source: District Administrator Survey #10, 11, 12, 18, 19, 20 and data sources cited above.

Financial information provided by districts regarding the per-pupil funding amounts in Transferability-eligible programs yielded differences between Transferability users and nonusers. Once again, these differences were not statistically significant for any programs, except Title IV, Part A, in which participants had significantly higher per pupil funding. Overall, Transferability participants received slightly more money per student in all of the eligible programs, however, participating districts had less per student total revenue than nonparticipants (see Exhibit 5). Total revenue per student included funds from federal, state, and local sources.

**Exhibit 5**  
**Mean Revenue by Program, Transferability Participants vs. Nonparticipants**

Funding Category	Mean Allocation Per Student for 2004–05 (in dollars)	
	Transferability Participants	Transferability Nonparticipants
<b>Title I, Part A</b> Improving the Achievement of Disadvantaged Children	\$ 312.77	\$ 248.57
<b>Title II, Part A</b> Improving Teacher Quality State Grants	\$ 71.37	\$ 59.63
<b>Title II, Part D</b> Educational Technology State Grants	\$ 12.76	\$ 9.21
<b>Title IV, Part A</b> Safe and Drug-Free Schools and Communities	\$ 10.16*	\$ 6.53*
<b>Title V, Part A</b> State Grants for Innovative Programs	\$ 8.85	\$ 6.04
<b>Total Revenue</b> From All Sources	\$ 9,983.29	\$ 10,460.38

Exhibit reads: Transferability participants received an average of \$312.77 per student in Title I, Part A funds.

Note: Statistically significant differences are indicated by asterisks (p<.05).

Source: District Administrator Survey #10, 11, 19, and 20.

One area where users and nonusers showed significant differences was in the relative priority level they assigned to various areas of potential need (see Exhibit 6). Specifically, users assigned a significantly higher priority on English and language arts outcomes, as well as on the outcomes of both elementary and middle school students. While districts participating in Transferability indicated placing higher priority on these areas, nonparticipating districts also indicated that these were relatively important. On a three point priority scale with three indicating high priority, the average priority level for districts not using Transferability was above two in all three areas. However, participating districts still reported a greater need to improve in these areas than nonparticipating districts. While there were also areas (such as summer programs) where it appeared Transferability users gave lower priority than nonusers, these results were not statistically significant.

**Exhibit 6**  
**Mean Priority Level of and Transferability Usage for Areas of Possible Need**  
**(1=Low Priority, 3=High Priority)**

	<b>Transferability Participants</b>	<b>Transferability Nonparticipants</b>	<b>Participants Who Used Transferability to Address Need</b>
<b>Instruction</b>			
Highly qualified teachers	2.2	2.1	30%
Highly qualified paraprofessionals	2.0	2.0	18%
Curriculum and instructional materials	2.4	2.5	39%
Educational technology	2.5	2.6	45%
<b>Support for Special Programs and Services</b>			
Extended-time programs	2.1	2.2	22%
Summer Programs	2.0	2.2	16%
Supplemental educational services (SES) provided under Title I	1.7	1.9	17%
Transportation for Title I school choice participants	1.2	1.3	4%
<b>Performance on Specific Academic Outcomes</b>			
English/Language Arts	2.7*	2.6*	64%
Mathematics	2.7	2.6	45%
Science	2.2	2.4	17%
Attendance rates	1.8	1.9	9%
Graduation rates	1.9	1.9	15%
Other	0.3	0.3	11%
<b>Performance of Specific Student Groups</b>			
Racial and ethnic minorities	2.0	2.1	34%
Low-income students	2.6	2.5	62%
Students with disabilities	2.4	2.6	35%
Limited English Proficient (LEP) students	1.8	1.9	24%
Students in low-performing schools	1.8	1.8	30%
Kindergarten and pre-K students	2.1	2.2	25%
Elementary students	2.6*	2.3*	69%
Middle school students	2.5*	2.2*	53%
High school students	2.3	2.1	39%

Exhibit reads: Participants gave performance on English or language arts outcomes an average priority rating of 2.7 while nonparticipants gave the same area an average priority rating of 2.6.

Note: Asterisked text indicates statistically significant differences between participants and nonparticipants (p<.05).

Source: District Administrator Survey #14 and 21.

These priorities corresponded with the spending patterns of districts participating in Transferability. A high proportion of districts reported using Transferability to address the needs of elementary students (69 percent). The second and fourth greatest percentages of districts used



Transferability to target English and language arts outcomes (64 percent) and middle school students (53 percent) respectively.<sup>7</sup>

## How Districts Use Transferability: Patterns of Exercising Flexibility

### *Administration of Transferability*

***Superintendents and federal program administrators were most likely to decide which funds to transfer under Transferability, but the process was generally one of collaboration with many people.***

Seventy-one percent of districts cited superintendents as primary actors in the decision-making process, and nearly as many districts (73 percent) identified general federal program administrators (districts could select multiple responses). There was more variety in which actor managed and oversaw the use of Transferability than in the decision-making process. Superintendents reportedly handled this in 57 percent of districts, while 57 percent of financial officers and 75 percent of federal program officers in participating districts did so (see Exhibit 7).

**Exhibit 7**  
**Authority and Oversight of Transferability**

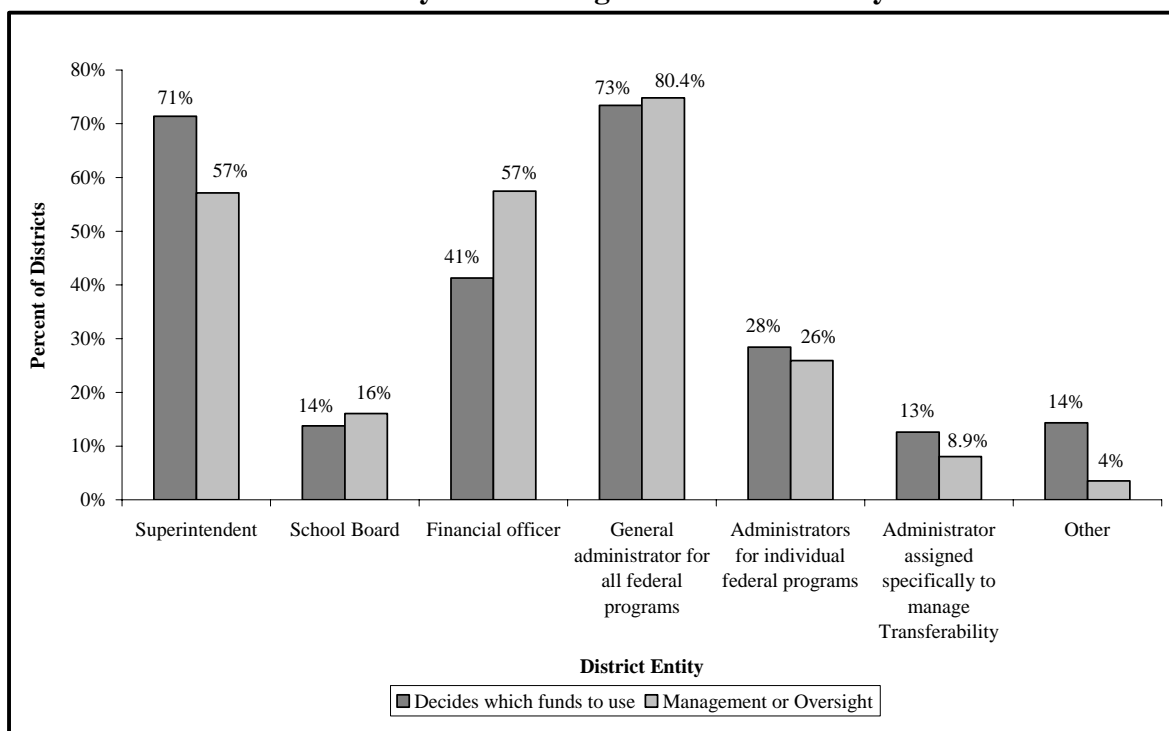


Exhibit reads: In 71 percent of districts that use Transferability, superintendents decide which funds to use with the program. In 57 percent of districts, superintendents carry out management or oversight of the Transferability program.

Note: Percentages do not sum to 100 because districts could mark multiple responses.

Source: District Administrator Survey #15

<sup>7</sup> The third most common area for districts to use their Transferability money was for low-income students. Transferability districts gave a higher average priority to this area than non-Transferability districts, but this difference was not significant.

Such high rates of involvement among various district officials suggest that the administration of Transferability is a largely collaborative process. Several follow-up interviews with district officials illustrated this point. When asked who decided where to direct funds under Transferability, one federal programs administrator explained:

*It was the administration team: superintendent, the ... Title I director, federal projects director (myself), curriculum, principals. ... We go through a school planning process in this district and... we use that as sort of our guideline to how the funds are going to be allocated.*

This was not a unique response. District officials frequently noted how Transferability decisions were made during budget planning meetings with several other officials present. This way, officials could talk through budgetary needs together and then figure out the most effective way to redirect funds. In addition, some officials noted how the complexity of budget rules made collaboration necessary. Those in leadership positions needed administrators with technical knowledge of rules and regulations, including those that govern Transferability, to help explain budgeting options. At the same time, one administrator noted how budget reporting software programs have made Transferability much easier to manage. The E-Grant system, which districts used to report their finances to the state, provided a Transferability worksheet page that walks users through their transfer options:

*[The E-Grant system] will let you know program-by-program how much you can transfer and into which programs you could transfer if you chose to do it. So, it even helps you by making all those calculations for you in advance, letting you know what really you have available to transfer from one program to the other.*

Even with the assistance of sophisticated software, districts typically made Transferability decisions through collaborative processes.

***Federal programs administrators and superintendents shared the primary management and oversight duties associated with Transferability.***

The pattern of joint decision-making carried over to management and oversight duties related to Transferability. As noted above, financial officers played a larger role in this aspect of Transferability. However, interviews suggested that superintendents and federal program coordinators maintained major roles in the process. They still filed reports and oversaw budgets to ensure that finances were in order, including those related to Transferability. “As we do our quarterly reports and such, we make sure that the reports are matching what we anticipated for Transferability,” one federal programs coordinator explained. Thus, while financial officers and business managers played an increasing management role (filling out and maintaining paperwork including the E-Grant forms and communicating with state officials), they still reported collaboration with other entities.

Although the complexity of the Transferability provision led to a high level of collaboration, it was not a process that added a large amount of time or energy to the budget preparation process. A federal programs coordinator tried to put oversight responsibilities into some perspective: “To

give you an idea, I'm working on my seventh revision of my budget for Title I, so, you know, Transferability is just minor."

Overall, superintendents guided the administration of Transferability, but included many other people in the process. While technically complicated, district officials do not report spending substantially more time or resources on the program than they would spend on budgeting without Transferability.

### ***Patterns of Transferability Reallocation***

Over half of districts using Transferability moved at least 80 percent of the amount available for transfer out of one or more programs. On the other hand, only 9 percent of districts using the program transferred less than 20 percent of eligible funds out of a program. These findings indicated that many districts used the provision to provide substantive changes in funding allocations, as opposed to simply taking a small amount of money from one program to cover an unexpected expense in another program.

**Exhibit 8**  
**Difference in Use of Funds After Exercising Transferability**

<b>Funding Category</b>	<b>Mean Movement of Funds (in dollars per student)</b>	<b>Percent Difference from Initial Allocation</b>
<b>Title I, Part A</b> Improving the Achievement of Disadvantaged Children	\$ 10.80	3%
<b>Title II, Part A</b> Improving Teacher Quality State Grants	-\$ 17.13	-21%
<b>Title II, Part D</b> Educational Technology State Grants	\$ 0.06	12%
<b>Title IV, Part A</b> Safe and Drug-Free Schools and Communities	-\$ 2.42	-25%
<b>Title V, Part A</b> State Grants for Innovative Programs	\$ 8.44	134%

Exhibit reads: Districts moved an average of \$10.80 per student into Title I, Part A.

Note: Negative numbers indicate that, on average, more money was moved out of a program than moved into that program. Five districts reported using Transferability incorrectly by removing 100 percent of their funds out of Title I, Part A, and were therefore excluded from the above calculations.

Source: District Administrator Survey #18.

***Under Transferability, Title I, Part A, and Title V, Part A, received the greatest influx of shifted funds with an average increase of more than \$8 per student.<sup>8</sup>***

Per student funding for Title V, Part A, increased by an average of 134 percent under Transferability, while the somewhat larger dollar per student shift to Title I, Part A, represented

<sup>8</sup> All calculations in this section are calculated in terms of funds per student. This was done in order to facilitate comparison across districts of varied sizes.

only a 3 percent increase from the overall initial allocation. The program with the greatest reduction of funds was Title II, Part A, Improving Teacher Quality. After exercising Transferability, this program saw an average decrease of \$17 per student, representing a 21 percent decrease in per student funding. Title IV, Part A, Safe and Drug Free Schools also realized a decrease in funds, while Title I, Part A, and Title II, Part D, had average increases. (It is important to note that funds may not be transferred out of Title I, Part A. See Exhibit 8 for a complete list of average monetary changes after using Transferability.)

The case studies helped to elucidate district's reasoning behind their choices about monetary shifts using Transferability. Many of the district officials interviewed indicated that their districts followed the trend in the survey and allocated funds to Title V, Part A, for Innovative Programs. Because this program has the most internal flexibility of the Title programs, district officials chose to put funds there to target their district's needs through the flexible options of Title V, Part A. When explaining the decision to increase funds in Innovative Programs, one district official said, "There was more room for what you could use [funding] for in Title V." Another district official indicated that more funding in Title V helped to create programs that would have been impossible to fund without using Transferability. In that district, increased funding in Innovative Programs was used to hire "classroom literacy aides for a particular school to go in and work with children that are struggling in their regular classroom instruction in reading and in language arts."

***Districts using Transferability moved more money out of Title II, Part A, than any other program.***

The interviewed district officials illustrated the reasoning behind districts' choice to reallocate funds away from Title II, Part A, Improving Teacher Quality. Several of the case study participants supported the survey findings. One district official explained that there had been carryover funding in past years from Title II, Part A, and because the district did not always use all of the Teacher Quality funds, the district chose to shift those funds into Title I. This district official did not see any decrease in the amount of professional development under Title II, but indicated that the district was more careful when approving external staff development. Another district made a transfer from Title II, Part A, to Title II, Part D, to improve technology and also indicated that the district was able to maintain staff development.

***Many districts also chose to transfer funds into Title I, Part A.***

Because this program is typically the largest federal allocation to a school, percentage increase in the program was fairly low at 3.43 percent. But the per-pupil mean increase of \$10.80 was the highest per pupil increase, and, given the size of a median district, represented an approximately \$12,150 shift in terms of this example district. Free response data from the surveys suggested that transfers were made in order to smooth funding, with several districts indicating that a decrease in Title I funds led to the choice to reallocate funds back to this program. These districts often indicated that their highest priority was to reach or maintain AYP and to do so they transferred money into Title I in order to help schools with large numbers of students who

were not reaching proficiency. One district official explained:

*Our priority goals are to improve math and literacy test scores. We transfer to Title I, Part A, from programs that have very few dollars allocated. This concentrates enough funds to hire highly qualified paraprofessionals and specific instructional materials. We target the male population and economically disadvantaged students because of their lower test scores.*

Other districts also used language like “targeted assistance” and “increase reading scores” when describing their shift of funds to Title I in order to increase the number of students reaching proficiency. This focus on increasing student achievement will be elaborated on in the following section.

### ***Goals and Initiatives of Districts Using Transferability***

***Eighty-seven percent of district officials reallocated funds under Transferability in order to increase the amount of federal funds available for high priority programs.***

The most frequently cited use of Transferability was to bolster high priority programs. Other frequent uses were for targeting particular student groups or outcomes and maintaining stable funding for activities that would be affected by budget constraints. Approximately 82 percent of district users indicated using Transferability for assisting particular student groups or improving certain outcomes while 70 percent of district officials indicated using the program to maintain stable funding levels (districts could select multiple responses). About half of the districts used Transferability to initiate new activities, and 28 percent of the districts used Transferability to concentrate resources (see Exhibit 9).

### Exhibit 9 Uses of Transferability

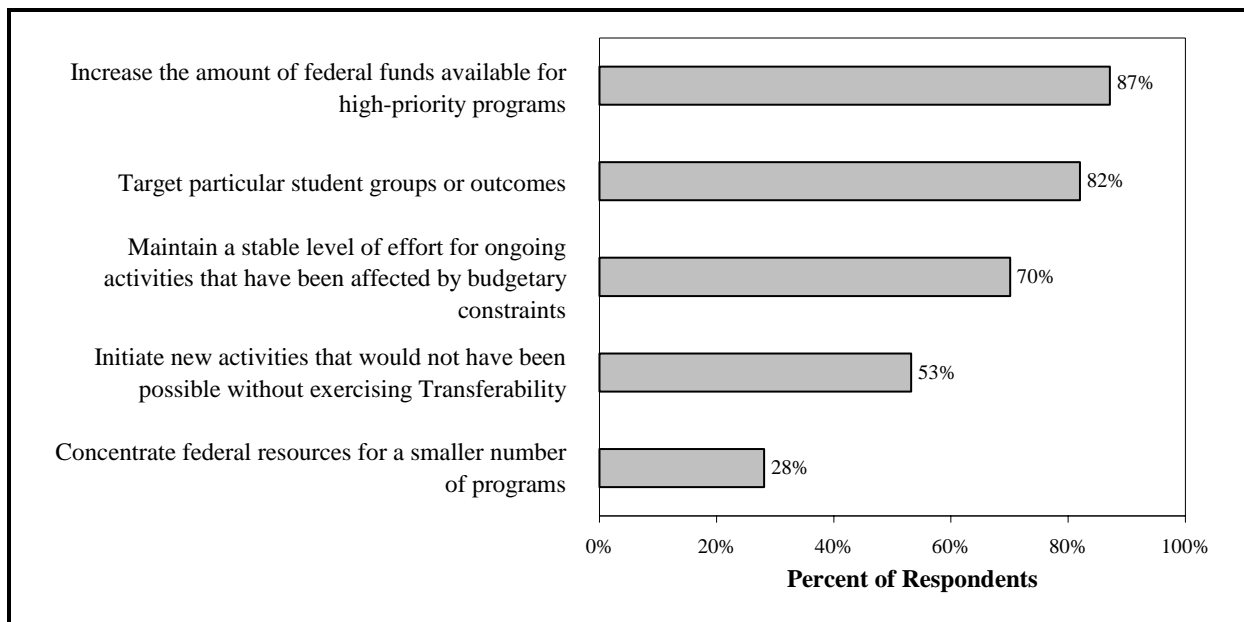


Exhibit reads: Roughly 87 percent of Transferability participants used the program to increase the amount of federal funding in high-priority programs.

Note: Percentages may not sum to 100 because districts could mark multiple responses.

Source: District Administrator Survey #17.

***Respondents identified five top priorities for Transferability: teacher quality (44 percent), Title I (30 percent), technology (30 percent), literacy (28 percent), and math (17 percent).***

Districts were asked to identify the top priorities for Transferability in a free response section of the survey and identified five main priorities. As became evident in the case studies, all five of these priorities were closely connected to each other and to districts' efforts to help schools make AYP.

Many districts used teacher quality initiatives to reach the goal of increasing math and reading test scores by "reducing the student/teacher ratio," hiring more teachers, paying for professional development, and increasing Title I personnel. One district official indicated that in a time of budget constraints, Transferability allowed the district to maintain teacher quality:

*Being able to ... transfer funds around has allowed our small rural school to provide direct instruction in reading and preschool experience by allowing us to help cover salaries of those teachers. We were also able to cover substitute teachers so that our teachers could do professional development activities to improve their learning and teaching.*

This finding may at first glance appear contradictory because, as noted above, many districts transferred funds out of Title II, Part A. However, districts moved money to other federal programs that allowed them to use funds more flexibly to target particular teacher quality issues. For example, districts indicated that they transferred money into Title I,

because they could then use funds to recruit and retain high quality teaching staff in their district.

Districts also put a strong priority on Title I, Part A. Many districts shifted funds into Title I and saw maintaining or increasing funds for this program as an integral way to boost student achievement for at-risk students and help schools reach AYP. Many districts responded to a decrease in Title I, Part A, funding by using Transferability to augment current Title I programs. One district official connects Title I funding through Transferability with increasing student achievement:

*To increase the amount of federal funds available for high priority programs, funds were transferred to our Title I program. Our goal was for all subgroups to demonstrate a 5 percent increase in their reading [scores]. Specific programs were to hire two reading specialists, four reading teachers to co-teach reading, one teacher to teach math and reading for students who are at risk for failure, [and two more teachers].*

In addition to Title I, another top priority was technology. Again, district officials connected their priorities for Transferability funds to helping schools reach AYP. One district official explicitly stated, “Our goal was to increase student achievement through the use of technology,” and another went further in describing the district’s process:

*Well, we certainly hope to improve the scores on our statewide testing through use of technology for some of our students who seem to respond better to that type of instruction than they may do to the old-time, just stand-and-deliver type. So, it really is to improve our testing goals to meet the AYP. ... It’s the delivery of the instruction into areas where we’ve had some remedial situations, and we’re using laptops and online curriculum that has been written by our own folks, our own staff here, as well as some of the textbooks are now going online with a lot of features where you can actually get some more hands-on activities. And that certainly seems to increase enthusiasm, if nothing else, for the students.*

Technology initiatives across districts included the purchase of computers and software, hiring technology instructors, and increasing teacher training in technology in order to “assist [schools] as [they] work to improve test scores and retention of content for all students in every subgroup as required by *NCLB*.”

Because *NCLB* focuses on reading and math tests for AYP, it was no surprise that districts used Transferability to focus on reading and math. One district official stated, “Literacy is our top priority,” and another said, “Our priority goals are to improve math and literacy test scores.” Sometimes districts targeted literacy and math even when directing resources into the other three top-identified priority areas: teacher quality, Title I, and technology. For example, districts reported increasing personnel for literacy-specific programs or purchasing software programs for math and reading using technology funds. Districts also purchased books and supported tutoring programs.



Districts themselves did not view these funding areas (teacher quality, Title I, technology, literacy, and math) as necessarily separate from each other. They were all pieces in many districts' use of Transferability, which in turn is just one aspect of *NCLB* and districts' goals under that law. A district official explains these connections:

*It comes together as a whole package. So we don't look at it as an isolated ... You know, it's sort of how does it fit into the whole complex underpinnings that make a school district run? ... We have a district action plan; we have school improvement plans; we're also a district in need of improvement in mathematics. We were able to, by transferring the money, free up some resources ... so that they're now able to work with the math because we failed the AYP in math.*

Districts did target specific populations for these initiatives. One district "provided additional tutoring time in reading to those students in the lowest 25 percent as determined by our reading assessments." Another focused on the early grades of kindergarten through third grade. This way, districts could use their limited resources on the populations they felt were most in need.

Based on the articulated goals and initiatives of districts using Transferability, the next section explores districts' progress toward reaching their priorities and the efficacy of the program.

### ***Progress Toward Goals Using Transferability<sup>9</sup>***

#### ***District officials reported that Transferability helped them reach their goals.***

Respondents in the case studies indicated that Transferability has, to some degree, helped their districts reach the goals discussed above. However, since Transferability is only one part of *NCLB* and the initiatives schools and districts use to make AYP, the direct effect of Transferability was hard to isolate based on the survey findings. One district official felt that Transferability made possible a program that increased parental involvement of English language learners. Another district official saw Transferability create the opportunity for initiatives that would have been impossible before:

*Transferability really did help the district when we were in the process of integrating our new technology under state guidelines that were out at the time. And that probably would not have happened, at least the professional development side wouldn't have had the support it had during that time.*

Several districts saw Transferability aiding their efforts to make AYP, though they acknowledged a lack of specific evidence showing its role and pointed out the difficulty of isolating Transferability's effects. A district official described how Transferability helped the district's AYP efforts through "being able to focus more attention, more resources, and more

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<sup>9</sup> This section is based solely on the case study results. Thus, conclusions related to progress through the use of Transferability is based on the reports of a small number of district officials.

bodies at the early intervention areas, early years, K–3.” However, another respondent recognized the difficulty in assigning district success to Transferability:

*Now, I guess we probably have not done an exclusive study where we’ve ruled out all of the variables [other than Transferability], because there’s a lot that affects what a child does on a particular assessment, and that’s the main way we measure anymore because we have to. I think it’s helped, I mean, but to say that I can provide data that actually shows that, there would really have to be a much broader study.*

A final district official summed up how Transferability, by making a specific program possible, is part of the district’s set of tools in making AYP:

*Language scores have gone up. ... I do think that the effects of it have been positive. ... And I think that without [Transferability] and without these literacy aides in the classroom, that the teachers would be far more stressed and struggling to meet the needs of the individual learners. ... Having that flexibility to move the money into this pot that we can then use for hiring additional literacy aides helps us to differentiate the instruction.*

This official continued to connect the literacy aide program to AYP and explained that the intent and hope of the literacy program was to increase student scores and make AYP. For these district officials, Transferability appeared to be a useful tool for targeting funds to help schools reach AYP. So while no direct connection can be drawn between Transferability and increased student achievement, some district officials see Transferability as an important part of meeting this goal.

## **The Decision to Use Transferability**

### ***Access to Information About Transferability***

#### ***A large majority of districts reported familiarity with Transferability.***

The survey results indicated that 81 percent of districts were familiar with the Transferability program. In comparison, districts’ familiarity with other flexibility programs ranged from 33 percent for Waivers or Ed Flex to nearly 90 percent for Title I, Schoolwide Programs, (see Exhibit 10).

**Exhibit 10**  
**Familiarity With Federal Funding Flexibility Programs**

<b>Program</b>	<b>Not familiar/ Familiar in name only</b>	<b>Somewhat/ Very familiar</b>
Title I, Schoolwide Programs	12%	88%
Transferability	19%	81%
Consolidation of Administrative Funds	45%	55%
REAP Flex	55%	45%
Local Flex	66%	34%
Waivers or Ed Flex	67%	33%

Exhibit reads: Eighty-one percent of districts were somewhat or very familiar with Transferability.

Source: District Administrator Survey #1.

**Exhibit 11**  
**Usefulness of Sources of Transferability Information**

<b>Information Source</b>	<b>No Information From Source</b>	<b>Not Useful</b>	<b>Somewhat/ Very Useful</b>
Information or technical assistance provided by the state	29%	2%	69%
Workshop or information session	33%	4%	63%
Regional providers of technical assistance	48%	5%	47%
U.S. Department of Education Web site or publications	48%	13%	39%
Professional organizations	58%	7%	35%
Direct communication with U.S. Department of Education	74%	10%	16%
Other	87%	2%	12%

Exhibit reads: Sixty-nine percent of respondents found information or technical assistance provided by the state somewhat or very useful.

Source: District Administrator Survey #4.

The high level of familiarity with Transferability came from information provided by a variety of sources (see Exhibit 11). Sixty-nine percent of respondents found information or technical assistance provided by the state education agencies to be somewhat or very useful. Workshops and information sessions were also somewhat or very useful to a substantial number of districts (62.7 percent). Thirty-eight percent of respondents reported finding the U.S. Department of Education Web site or publications, regional providers of technical assistance, and professional organizations to be somewhat or very useful.

***There were large and significant differences between Transferability participants and nonparticipants in where they received information about the program.***

Approximately 86 percent of Transferability participants obtained information from the state (see Exhibit 12). In contrast, 57 percent of nonparticipants received information about the program from the state (districts could select multiple responses). This is perhaps not surprising, because much of the interaction between the district and the state could have been for technical assistance, which would not be as applicable for districts not exercising Transferability. However, similar results emerged for other sources of information. Eighty-one percent of Transferability users received information from a workshop or information session, while only 55 percent of nonusers received information from this source. Furthermore, 30 percent of nonparticipating districts did not obtain information about Transferability from any source. This may have indicated that some districts simply did not have access to potential sources of information about the program.

**Exhibit 12**  
**Sources of Transferability Information Among Participants and Nonparticipants**

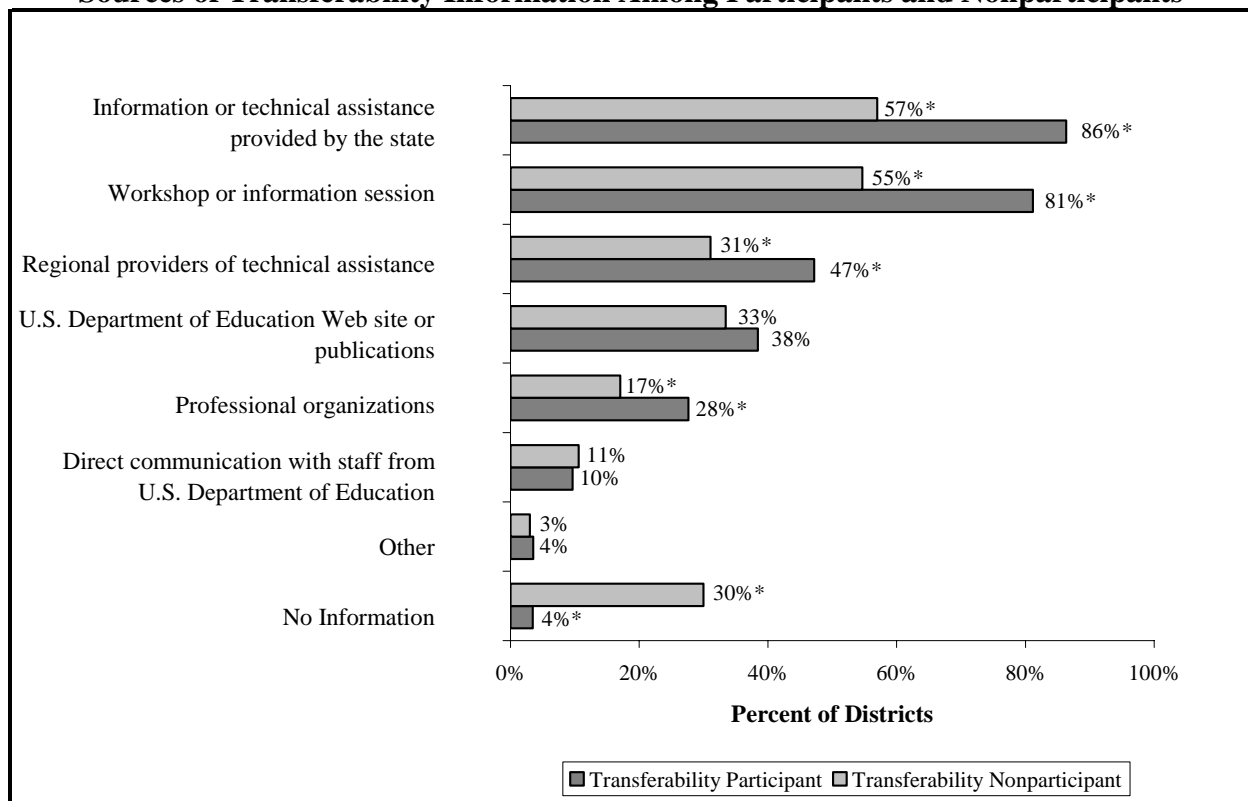


Exhibit reads: Eighty-six percent of Transferability users received information or technical assistance regarding Transferability from the state, while 30 percent of nonusers received no information at all about the program.

Note: Percentages may not total 100 percent because districts can receive information from multiple sources. Statistically significant differences are indicated by asterisks ( $p < .05$ ).

Source: District Administrator Survey #2.

***States were one of the most important sources of information on Transferability.***

Among Transferability users, states were the most common source of information. This may indicate that states with more active information dissemination activities have a larger number of Transferability participants. While it is not possible to draw a definitive conclusion using the available survey data, examination of states where at least ten districts responded to the survey provides tentative inferences. In two of the ten states where at least ten districts responded, more than 90 percent of districts sampled used Transferability. This is a substantially higher participation rate than would be expected based on the sample design. In these two states, Arkansas and Maine, 100 percent of districts received information on Transferability from the state. This may indicate that these states were particularly active in providing districts information and supporting districts participating in the program. In the other eight states, less than half of the respondent districts used Transferability. While more than 75 percent of users in these states obtained information from the state, less than half of nonparticipating districts received information from the state. Thus, in these states, a much smaller proportion of districts obtained Transferability information from the state.

The majority of case study respondents mentioned state officials as their primary source of information and guidance. Districts using Transferability noted that the state provided information about both the uses and requirements of the program. This information was often disseminated at workshops and conferences. One superintendent explained that the state had a consultant available to the district to answer questions and provide technical assistance to districts exercising Transferability.

***Reasons Districts Do Use Transferability***

The most common reason that districts chose to utilize Transferability was a desire for greater flexibility in the use of federal funds. More specifically, district representatives identified mismatches between federal funding and district priorities, decreasing levels of federal funding, and a higher degree of flexibility associated with particular programs as driving forces in the decision to use Transferability.

***Differences in district priorities and federal program allocations led some districts to use Transferability.***

One federal programs coordinator (whose district had not used Transferability in prior years) eventually decided to use Transferability due to the differences in district priorities and initial federal program allocations. In particular, this programs coordinator identified a surplus of funds in Title II and a desire for greater funds for Title V. This district used Transferability to transfer funds to Title V to fund a parent involvement coordinator and a school nurse. Another district found its Title II, Part D, allocations too small to be of much use on their own and explained, “We only had about \$9,000.” The district supplemented this money with funds from a different program to ensure that the initial allocation could be used effectively. Federal funding allocations that did not match a district’s priorities, as this example shows, acted as an incentive to use Transferability.

***Decreased levels of federal funding contributed to mismatches between allocations and priorities.***

In interviews, several district administrators specifically identified diminishing federal funds as a driving force in their districts' decisions to implement Transferability. Users surveyed through phone interviews identified decreases in Title I, Part A, and Title V, Part A, as reasons for using Transferability. One district federal programs coordinator reported, "Title V ... funding is going down every year. ... We went from \$65,000 down to \$49,000, and we've been told at our last federal programs meeting that it's going to go down another 25 percent." An administrator from another district agreed, saying that Title V had been "cut tremendously in the last several years." A different district had received less funding for Title I programs and used Transferability to help cover the salary of two reading specialists for Title I students. Because decreases in federal funding levels are generally due to formulas or decreasing appropriations and not aligned with declining district needs in associated areas, districts viewed diminished funds as an impetus for utilizing Transferability. It gave them the ability to compensate for funding losses by transferring what funds they did receive into areas with the most need.

***District representatives also found certain program guidelines more flexible than others.***

"We had to stay within some pretty restrictive guidelines," one official said, explaining the district's decision to transfer funds out of a particular Title program. Another official noted that the district gained more discretion over funds by transferring them out of Title II and into Title V. Overall, districts used Transferability as a means of reallocating funds that granted them more discretion over the use of funds or ability to target specific priority areas.

***Reasons Districts Do Not Use Transferability***

***Districts indicated that they did not participate in Transferability because of already adequate flexibility, the size of eligible funds, and lack of information.***

School districts that did not participate in Transferability identified satisfaction with current levels of flexibility as a major factor in the decision to not apply for Transferability (see Exhibit 13). Over 40 percent of nonuser survey respondents believed that their district already had sufficient flexibility in their use of federal funds (districts could select multiple responses).

Interviews with nonusers revealed similar feelings. One district administrator reported, "All of the grants have pretty well met the needs without transferring funds back and forth between the grants, so we just continued to do what we've done in the past." Another administrator agreed, highlighting carry-over funds and adequate funding levels in Titles I and II: "We felt like we had enough funding available to make it work, so there was no need to mix the programs and have funds go from one to the other because we had enough to start with." Put simply, many districts chose not to apply for Transferability because they felt there was no need to do so. The second most common reason given in surveys for not implementing Transferability was the amount of funds eligible to be transferred. Approximately 35 percent of nonuser survey respondents reported that, even after exercising Transferability, the funding levels in applicable categories would still have been too low to carry out the desired activities.

Insufficient information about Transferability was another common factor cited in districts' non-participation in Transferability. Twenty-nine percent of survey respondents reported having too little information about Transferability to make an informed decision, while 21 percent of nonusers reported being entirely unaware of the Transferability option. Between those that were

entirely unaware of Transferability and those that did not have enough information, over one-third of nonusers cited insufficient information as a factor in their choice not to use Transferability. One superintendent interviewed over the phone admitted that, after hearing a description of the Transferability program, “Now that I know about it... I might consider it.” Interestingly, large districts were less likely to report insufficient information as a factor in not choosing to implement Transferability. This suggests that information about Transferability was less like to “slip through the cracks” at large school districts, or larger school districts were more likely to receive such information in the first place.

**Exhibit 13**  
**Percent of Respondents for Whom the Given Considerations Were a Major Influence on Their Decision Not to Use Transferability**

<b>Top 5 Considerations</b>	<b>Percent of Transferability Non-participants</b>
District already had enough flexibility over use of funds without Transferability.	44%
Amount of funds in applicable categories would have been too small to effectively carry out desired activities even after exercising the Transferability option.	35%
Did not have enough information about Transferability to make an informed decision.	29%
Was not aware of Transferability option.	21%
Accounting requirements associated with Transferability would have been burdensome.	16%

Exhibit reads: Forty-four percent of nonparticipating districts responded that they already had enough flexibility over the use of funds without Transferability.

Note: For all other considerations, the percent claiming them to be a major (or even minor) influence on their decision not to use Transferability was under 5 percent. Percentages do not sum to 100 because districts could give multiple reasons for not using Transferability. Adjusted weight data not presented because weights were not adjusted for nonusers.

Source: District Administrator Survey #7.

Phone interviews with nonusers identified another factor (not provided as an option on the survey) that may have led districts to not use Transferability. A district administrator pointed to declining funds as a reason to decline participation in Transferability: “I think that because we keep losing monies in some of the other Title programs, we can’t really afford to take more money out of that, and that’s the issue there.” This factor is related to the belief that the amounts associated with Transferability were too small to make the program worthwhile. While some participating districts viewed declining funds as a reason to use Transferability, some nonparticipating districts saw limited resources as a barrier to using the program.

***Increasing Interest in Transferability***

***District respondents indicated that potential changes to the terms of the Transferability provision offered on the survey would increase their interest in the program.***

Almost three-quarters of Transferability participants and 70 percent of nonparticipants indicated that they would be more likely to enroll in Transferability if the transferred funds were not restricted by the rules and requirements of the receiving programs (see Exhibit 14). While most



potential changes stimulated similar levels of increased interest in current users and nonusers, increasing the proportion of funds that can be transferred from eligible programs would enhance interest in current participants significantly more than in nonparticipants—77 percent and 64 percent, respectively. Thus, making this change might increase satisfaction among current users of Transferability more than it would attract new districts to the program.

**Exhibit 14**  
**Reaction to Potential Changes to the Terms of the Transferability Provision, Given as**  
**Percent of Respondents for Whom the Change Would Cause Their Interest in**  
**Transferability to Be Somewhat or Much Higher**

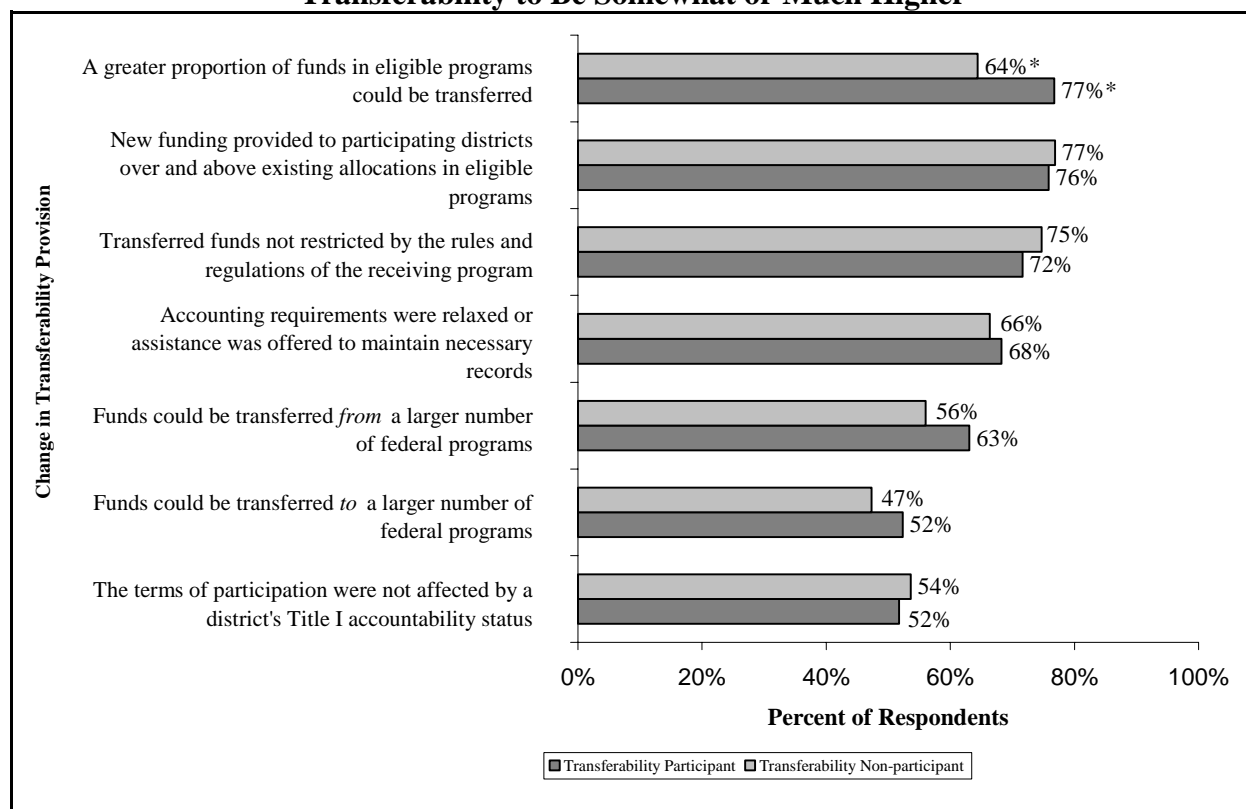


Exhibit reads: Seventy-seven percent of participating districts reported that their interest in Transferability would be somewhat or much higher if a greater proportion of funds in eligible programs could be transferred.

Notes: Percentages do not sum to 100 because districts could mark multiple response. Asterisks indicate statistically significant differences ( $p < .05$ ).

Source: District Administrator Survey # 13 and 24.

Finally, approximately 67 percent of both participants and nonparticipants indicated that relaxing accounting requirements or an increase in assistance for maintaining necessary records would pique their interest. One Transferability participant illustrated the desire for assistance in fiscal record-keeping. The district had “wanted to start it a year before, but there were no directions. ... [We need] concrete directions from SEA or federal level that outlines how the funds should be managed from a fiscal standpoint.”

## **4. Conclusion—Summary of Findings**

### ***Confusion about Transferability was high among states and districts.***

Weighted results suggested that 1,683 to 2,949 districts, or between 12 percent and 21 percent of all districts nationwide, used Transferability. As noted above, this estimate is similar if REAP Flex eligible districts were not included. District-reported Transferability participation rates and state-reported Transferability notification were substantially different. Approximately 25 percent of districts that states identified as Transferability participants did not report using the program. Further, roughly 10 percent of districts that states did not identify as Transferability participants reported using it. This, combined with the large number of districts that claimed to have moved greater than 50 percent of initial allocation (21 percent)—a transfer that is not allowed under the Transferability requirements—indicated that districts do not clearly understand the rules of using and notifying of intent to use Transferability. It is also possible that some of these districts were actually exercising the REAP Flex authority, which allows a larger percent of funds to be used for other purposes.

### ***States were the most useful source of information about Transferability for districts.***

The vast majority of districts that use Transferability looked to their state education associations for guidance on the provision's rules and regulations (86 percent). Significantly fewer nonparticipants received information from the state (57 percent), which implies that states were less successful in getting Transferability information out to the districts not already using it.

### ***Transferability participants and nonparticipants were similar demographically.***

Users and nonusers were not significantly different in terms of size, poverty level, percent federal funding, percent Transferability-eligible funding, or total per student revenue.

### ***Money moved under Transferability was most frequently transferred to Title I, Part A, and Title V, Part A, and focused on initiatives aimed at making AYP.***

The most commonly cited education goals associated with the reallocated funds included improving teacher quality, increased focus on Title I students, technology, math, and literacy. Together, they make up one larger goal for survey respondents: making AYP. District officials believed that Transferability was helpful in working toward those goals, although they hesitated to draw strong causal relationships between the program and student achievement.

### ***Reduced funding and spending restrictions led many districts to use the provision.***

Most districts using Transferability reallocated money so that high priority programs (such as those that focused on the goals listed above) would receive more funding. Another common reason for utilizing Transferability was that some federal education programs place more restrictions on how money can be spent than others, so districts shifted funds into programs with fewer restrictions.

### ***Existing adequate flexibility, size of eligible funds, and inadequate information were the three primary reasons districts did not participate in Transferability.***

Nonparticipants also suggested changes to the program that would increase their interest. One of the most popular changes posed on the survey was to remove the stipulation that reallocated monies are subject to the rules and requirements of the recipient program.

***Because districts that used Transferability generally had the same goals—making AYP via higher math and reading scores—as districts that did not use Transferability, it appeared that Transferability was just one of many tools districts utilize to meet these objectives.***

Districts that used Transferability found the additional flexibility helpful and the fact that many districts approached the 50 percent reallocation limit showed that they were eager for the program to provide more flexibility. Additionally, because nearly one third of districts that did not participate said they did not use the program because the eligible funds were too small to make a difference in their district, it is clear that districts would like to see more funding be deemed applicable for use under Transferability.

The overarching finding of this report, however, is that districts in most parts of the country need to be provided with more information about Transferability. There appears to be widespread confusion about who uses Transferability and how to use it correctly. This has important implications for usage of the Transferability provision, as insufficient information is a determining factor in districts' decisions to participate.

## **Appendix A: Methodology**

### **Survey Participants and Data Collection**

The sample of districts used in the analysis was selected from lists of districts provided by states. Each state identified the districts they believed were using Transferability and the districts that were not using Transferability based upon district notification of the state of their intent to use the provision. The information that the states provided showed that 12 percent of districts use Transferability.

To facilitate comparisons between districts using Transferability and districts not using Transferability, districts in the first group were over-sampled. Approximately equal numbers of state-identified users and nonusers were randomly chosen to participate in the study. Any district that had participated in the National Longitudinal Study of *NCLB* (NLS) was removed from consideration in order to minimize response burden. In addition, all districts that had been selected to participate in the concurrent study of REAP Flex were excluded. The survey was initially mailed to 372 school districts nationwide. This included 184 state-identified users and 188 state identified nonusers.

Districts were given the option to complete the survey using a paper survey form or using the Web-based survey online. Four types of follow up efforts were pursued: reminder letters, reminder phone calls, replacement packages, and offers to complete the survey via phone. The final response rate was 86 percent, with 320 districts participating in the survey. Districts identified by their states as Transferability users responded at a 75.5 percent rate, while the state identified nonuser response rate was 96.3 percent. Because the response rate was high and district size and poverty differences between respondents and nonrespondents were statistically insignificant, it was not necessary to adjust the weights to address nonresponse bias.

### **Case Study Participants**

The second component of data collection consisted of phone interviews with district officials from 12 school districts selected from among the 320 districts that returned the survey. When possible, the interviews were conducted with the same person who filled out the survey. The majority of case study respondents were superintendents or assistant superintendents. Other respondents included principals, directors of *ESEA*, federal programs coordinators, Title I directors, and directors of instruction.

In order to get detailed information about decisions concerning the use of Transferability from a wide range of districts, survey responders were divided into eight categories based on size and Transferability participation (shown below) from which the case study districts were randomly selected. From the respondents in each size category, two users and one nonuser were randomly selected for the case studies (see Exhibit 1A).

**Exhibit A-1**  
**Case Study Sample Selection: Number of Interviews by Category**

<b>Average Daily Attendance</b>	<b>Transferability Participant</b>	<b>Transferability Nonparticipant</b>
<b>Less than 1,000</b>	<b>2</b>	<b>1</b>
<b>1,001–3,000</b>	<b>2</b>	<b>1</b>
<b>3,001–10,000</b>	<b>2</b>	<b>1</b>
<b>More than 10,000</b>	<b>2</b>	<b>1</b>
<b>Total</b>	<b>8</b>	<b>4</b>

## **Data Preparation**

After completion of the survey and case studies, the data were examined for internal consistency and outliers. Internal inconsistencies were resolved by follow-up telephone calls to the districts, and outliers were examined for accuracy. For example, review of the data revealed particular confusion on the part of districts regarding districts' total revenue. It was clear that some districts misinterpreted the questions about total revenue and reported the total amount of federal funding they had received. In other cases, the reported revenue amounts were implausibly low and difficult to explain. To account for reporting errors, total revenue reported in the survey was replaced with total revenue reported by the Common Core of Data (CCD) (2003) if the survey data met one of the following two conditions<sup>10</sup>:

1. The sum of reported federal funds was greater than 20 percent of the total revenue reported.
2. The total revenue reported was less than or equal to the sum of reported federal funds.

Average daily attendance (ADA) data were also checked against the CCD for major discrepancies. In 47 cases, the ADA reported in the survey was at least 20 percent different than the ADA listed by the CCD. In these cases, additional research including Internet searches and phone calls was conducted to determine the appropriate ADA. Finally, the data were checked for potential nonresponse bias by examining potential differences between districts that responded and those that did not respond. This analysis indicated that there were no significant differences between respondents and nonrespondents for either of the two stratification variables: size and poverty level.

<sup>10</sup> Because CCD data was from 2003 and survey data from 2004–05, only observations that met the two categories above were replaced

Finally, 23 districts that state education agencies had identified as nonusers of Transferability reported in the survey that they did use Transferability. Because these 23 districts were selected with a much lower probability than other districts that reported using Transferability, they account for a large share of the total weight in the analysis. Therefore, this relatively small share of the sample could have a large influence on the final estimates. As a result, follow-up calls were conducted to districts to resolve the discrepancies. These calls revealed that 12 of the 23 districts were using Transferability. Most of the 11 other districts had confused REAP Flex with Transferability.

Similarly, 38 districts identified by states as Transferability users reported in the survey that they did not use Transferability. Because these districts were selected with a much higher probability than other districts that reported not using Transferability, they account for a small proportion of the total weight in the analysis and therefore have a small influence on the final estimates. As a result, follow-up calls to these districts were not conducted. Instead, the districts' survey responses were accepted.

In the body of the report, analyses of results were conducted with adjusted weights so as to avoid having 12 districts drive the results and very large standard errors while still maintaining a representative sample. In this second method of weighting, the proportion of the total weight assigned to the districts incorrectly identified as nonusers was made smaller to reduce the mean squared error of the results. The mean squared error combines the square of the bias obtained when assigning a weight other than the full weight to the data and the square of the standard error given that weight. Attaching less than the full weight to the nonmatching cases typically increases the bias and lowers the squared standard error. The proportion of the weight attached to the nonmatching cases that minimizes the mean squared error varied by survey question. Nonmatching users were assigned 28.75 percent of the total weight, which is the average of the values that minimize the mean squared error across key survey measures.<sup>11</sup> Analyses using full weights or only including the correctly identified districts did not yield substantively different results.

## Analysis

Survey data were analyzed using descriptive statistics, mean differences tests, and regression analysis. Means and frequencies were calculated for each applicable survey question. Transferability participants were compared with nonparticipants. Linear regressions using poverty level, percent federal funding, average daily attendance, urban setting, and percent Transferability-eligible funding as predictors were conducted for survey questions with continuous outcomes. Logistic regressions using the same predictor variables were conducted

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<sup>11</sup> This compares to the original 42.76 percent of the weight originally given to this group based on selection probability. The 28.75 percent proportion was determined by comparing weight proportions that minimized the mean squared error term for all relevant questions that compared users to nonusers. These proportions ranged from 6.69 percent to 46.13 percent. We looked particularly at objective descriptive data (e.g., average daily attendance, revenue information, etc.) to determine the final proportion used. The median proportion of weights that minimized mean squared error for this group of data, and thus the proportion of weight given to nonmatching users in this interpretation of data, was 28.75 percent. Note that the proportion of weights assigned to nonusers was not adjusted, as incorrectly identified districts in this group carried only 3 percent of the weight of the total group of nonusers. Thus, it was not necessary to adjust the weights in this group, as the full weights had a minimal impact on the group's results.

for binary outcomes, such as the yes-or-no question asking whether the district participated in Transferability.

In addition to the data gathered from the surveys, the interview transcripts from the case studies and the free response answers generated from the survey were coded and analyzed using the research questions as a guide. This qualitative information provided illustrations of many findings generated by the survey data, as well as insights into application of Transferability toward educational planning and goals.

## Appendix B: Data Tables with Standard Errors

Presented below are data tables for all exhibits from the body of the report with standard errors where differences between participants and nonparticipants were reported.

**Exhibit B-1**  
**Usage Patterns of Transferability Participants vs. Nonparticipants**

	<b>Transferability Participants</b>	<b>Transferability Nonparticipants</b>
Used Transferability Prior to 2004-05	83% * (0.05)	11% * (0.03)
Planned to use Transferability in 2005-06	74% * (0.05)	59% * (0.08)

Note: Statistically significant differences indicated with asterisks (p<.01).

Source: District Administrator Survey #8, 9, 22, and 23.

**Exhibit B-2**  
**Comparison of Transferability Participants vs. Nonparticipants Based on Key Defining Variables**

	<b>Transferability Participants</b>	<b>Transferability Nonparticipants</b>	<b>Difference Between Participants and Nonparticipants</b>
	X, (SE)		
Percent Poverty <sup>a</sup>	15.0% (0.99%)	14.5% (0.78%)	0.5% (1.35%)
Percent Federal Funding <sup>b</sup>	8.0% (0.49%)	9.8% (0.55%)	-1.8% (1.16%)
Percent Eligible Funding <sup>c</sup>	1.1% (0.13%)	0.9% (0.05%)	0.3% * (0.14%)
Average Daily Attendance <sup>d</sup>	3461 (739)	3176 (727)	285 (1,055)

<sup>a</sup> Based on the percent of school age children in the district living below the poverty line (2000 Census data).

<sup>b</sup> Percent total revenue from federal, state, and local sources (based on 2003 Common Core of Data).

<sup>c</sup> Percent total revenue from federal, state, and local sources (not counting Title I, Part A).

<sup>d</sup> Based on 2003 CCD data.

Note: Statistically significant differences indicated with asterisks (p<.05).

Source: District Administrator Survey #10, 11, 12, 18, 19, and 20.



**Exhibit B-3**  
**Mean Revenue by Program, Transferability Participants vs. Nonparticipants**

Funding Category	Mean Allocation Per Student for 2004-05 (in dollars)	
	Transferability Participants	Transferability Nonparticipants
<b>Title I, Part A</b>	\$312.77	\$248.57
Improving the Achievement of Disadvantaged Children	(\$41.89)	(\$45.37)
<b>Title II, Part A</b>	\$71.37	\$59.63
Improving Teacher Quality State Grants	(\$7.16)	(\$5.78)
<b>Title II, Part D</b>	\$12.76	\$9.21
Educational Technology State Grants	(\$2.28)	(\$2.53)
<b>Title IV, Part A</b>	\$10.16*	\$6.53*
Safe and Drug-Free Schools and Communities	(\$1.78)	(\$1.78)
<b>Title V, Part A</b>	\$8.85	\$6.04
State Grants for Innovative Programs	(\$1.69)	(\$1.69)
<b>Total Revenue</b>	\$9,983.29	\$10,460.38
From All Sources	(\$501.31)	(\$449.28)

Note: Statistically significant differences are indicated by asterisks (p<.05).  
Source: District Administrator Survey #10, 11, 19 and 20.

**Exhibit B-4**  
**Mean Priority Level of and Transferability Usage for Areas of Possible Need**  
**(1=Low Priority, 3=High Priority)**

	Transferability Participants	Transferability Nonparticipants	Participants who Used Transferability to Address Need
<b>Instruction</b>			
Highly qualified teachers	2.2 (0.10)	2.1 (0.08)	30%
Highly qualified paraprofessionals	2.0 (0.09)	2.0 (0.07)	18%
Curriculum and instructional materials	2.4 (0.09)	2.5 (0.07)	39%
Educational technology	2.5 (0.10)	2.6 (0.07)	45%
<b>Support for Special Programs and Services</b>			
Extended-time programs	2.1 (0.10)	2.2 (0.08)	22%
Summer Programs	2.0 (0.10)	2.2 (0.07)	16%
Supplemental educational services (SES) provided under Title I	1.7 (0.11)	1.9 (0.09)	17%
Transportation for Title I school choice participants	1.2 (0.07)	1.3 (0.05)	4%
<b>Performance on Specific Academic Outcomes</b>			
English/Language Arts	2.7* (0.08)	2.6* (0.05)	64%
Mathematics	2.7 (0.08)	2.6 (0.06)	45%
Science	2.2 (0.09)	2.4 (0.07)	17%
Attendance rates	1.8 (0.09)	1.9 (0.10)	9%
Graduation rates	1.9 (0.10)	1.9 (0.10)	15%
Other	0.3 (0.06)	0.3 (0.06)	11%
<b>Performance of Specific Student Groups</b>			
Racial and ethnic minorities	2.0 (0.11)	2.1 (0.10)	34%
Low-income students	2.6 (0.09)	2.5 (0.08)	62%
Students with disabilities	2.4 (0.09)	2.6 (0.07)	35%
Limited English Proficient (LEP) students	1.8 (0.10)	1.9 (0.11)	24%
Students in low-performing schools	1.8 (0.11)	1.8 (0.09)	30%
Kindergarten and pre-K students	2.1 (0.10)	2.2 (0.11)	25%
Elementary students	2.6* (0.08)	2.3* (0.07)	69%
Middle school students	2.5* (0.09)	2.2* (0.06)	53%
High school students	2.3 (0.10)	2.1 (0.08)	39%

Note: Asterisked text indicates statistically significant differences between participants and non-participants (p<.05).

Source: District Administrator Survey #14 and 21.

**Exhibit B-5**  
**Authority and Oversight of Transferability**

	<b>Decides which funds to use</b>	<b>Management and oversight</b>
Superintendent	71% (0.07%)	57% (0.07%)
School Board	14% (0.02%)	16% (0.05%)
Financial Officer	41% (0.07%)	57% (0.07%)
General Administrator for all federal programs	73% (0.06%)	80% (0.03%)
Administrator for individual federal programs	28% (0.05%)	26% (0.03%)
Administrator assigned specifically to manage Transferability	13% (0.06%)	9% (0.05%)
Other	14% (0.05%)	4% (0.01%)

Note: Percentages do not sum to 100 because districts could mark multiple responses.

Source: District Administrator Survey #15.

**Exhibit B-6**  
**Difference in Use of Funds After Exercising Transferability**

<b>Funding Category</b>	<b>Mean Movement of Funds (in dollars per student)</b>	<b>Percent Difference from Initial Allocation</b>
<b>Title I, Part A</b>	\$10.80	3%
Improving the Achievement of Disadvantaged Children	(\$4.56)	(0.7%)
<b>Title II, Part A</b>	-\$17.13	-21%
Improving Teacher Quality State Grants	(\$4.50)	(2.6%)
<b>Title II, Part D</b>	\$0.06	12%
Educational Technology State Grants	(\$0.60)	(11.2%)
<b>Title IV, Part A</b>	-\$2.42	-25%
Safe and Drug-Free Schools and Communities	(\$0.50)	(4.2%)
<b>Title V, Part A</b>	\$8.44	134%
State Grants for Innovative Programs	(\$2.11)	(36.0%)

Note: Negative numbers indicate that, on average, more money was moved out of a program than moved into that program. Five districts reported using Transferability incorrectly by removing 100 percent of their funds out of Title I, Part A, and were therefore excluded from the above calculations.

Source: District Administrator Survey #18.

**Exhibit B-7**  
**Uses of Transferability**

<b>Uses</b>	<b>Percent of Respondents</b>
Increase the amount of federal funds available for high-priority programs	87% (0.04%)
Target particular student groups or outcomes	82% (0.06%)
Maintain a stable level of effort for on-going activities that have been affected by budgetary constraints	70% (0.07%)
Initiate new activities that would not have been possible without exercising Transferability	53% (0.07%)
Concentrate federal resources for a smaller number of programs	28% (0.02%)

Note: Percentages may not sum to 100 because districts could mark multiple responses.  
Source: District Administrator Survey #17.

**Exhibit B-8**  
**Sources of Transferability Information, Participants and Nonparticipants**

<b>Information Source</b>	<b>Transferability Participant</b>	<b>Transferability Nonparticipant</b>
Information or technical assistance provided by the state	86% * (0.04%)	57% * (0.05%)
Workshop or information session	81% * (0.05%)	55% * (0.05%)
Regional providers of technical assistance	47% * (0.05%)	31% * (0.04%)
U.S. Department of Education Web site or publications	39% (0.04%)	33% (0.04%)
Professional organizations	28% * (0.05%)	17% * (0.03%)
Direct communication with staff from U.S. Department of Education	10% (0.02%)	11% (0.03%)
Other	4% (0.02%)	3% (0.02%)
No Information	4% * (0.01%)	30% * (0.04%)

Note: Percentages may not total 100 percent because districts can receive information from multiple sources. Statistically significant differences are indicated by asterisks (p<.05).

Source: District Administrator Survey #2.

**Exhibit B-9**  
**Reaction to Potential Changes to the Terms of the Transferability Provision, Given as**  
**Percent of Respondents for Whom the Change Would Cause Their Interest in**  
**Transferability to Be Somewhat or Much Higher**

<b>Change in Transferability Provision</b>	<b>Transferability Nonparticipant</b>	<b>Transferability Participant</b>
A greater proportion of funds in eligible programs could be transferred	64%* (0.04%)	77%* (0.04%)
New funding provided to participating districts over and above existing allocations	77% (0.03%)	76% (0.04%)
Transferred funds not restricted by the rules and regulations of the receiving program	75% (0.05%)	72% (0.04%)
Accounting requirements were relaxed or assistance was offered to maintain necessary	66% (0.05%)	68% (0.04%)
Funds could be transferred from a larger number of federal programs	56% (0.05%)	63% (0.05%)
Funds could be transferred to a larger number of federal programs	47% (0.05%)	52% (0.05%)
The terms of participation were not affected by a district's Title I accountability status	54% (0.05%)	52% (0.05%)

Note: Percentages do not sum to 100 because districts could mark multiple responses. Asterisks indicate statistically significant differences ( $p < .05$ ).

Source: District Administrator Survey# 13 and 24.

## **Appendix C: District Survey**



# **STUDY OF NCLB FLEXIBILITY PROVISIONS**

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## **TRANSFERABILITY AUTHORITY DISTRICT ADMINISTRATOR SURVEY**

**FALL 2005**

To complete this survey online go to:

<http://trans.urban.org>

Username: «Username»

Password: «Password»

**Prepared By:  
The Urban Institute  
Education Policy Center**

**Prepared For:  
U.S. Department of Education  
Policy and Program Studies Service  
Contract No. ED-01-CO-0080**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB number. The valid OMB control number of this information collection is 1875-0235. The time required to complete this information collection is estimated to average 30 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestion for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have comments or concerns regarding the status of your individual submission of this form, write directly to:

Policy and Program Studies Service, Office of the Under Secretary, U.S. Department of Education, 400 Maryland Avenue SW, Room 6W203, Washington, DC 20202-8240.



Dear District Official,

Thank you for your district's participation in the Study of No Child Left Behind Flexibility Provisions.

**Purpose of Study:** To evaluate and understand the ways in which school districts are using the provisions for enhanced flexibility over the use of federal education funding authorized under the No Child Left Behind Act (NCLB).

**Sponsor:** The study is being conducted by the Education Policy Center of the Urban Institute under a contract from the Policy and Program Studies Service of the U.S. Department of Education.

**Privacy:** Responses to this data collection will be used only for statistical purposes. The reports prepared for this study will summarize findings across the sample and will not associate responses with a specific district or individual. We will not provide information that identifies you or your district to anyone outside the study team, except as required by law.

**Response Burden:** This survey should require approximately 30 minutes of your time.

**Benefits:** Your participation will help inform policy makers and educators at the local, state, and national levels about the implementation of the flexibility provisions of the No Child Left Behind Act.

**More Information:** If you have questions or would like more information about this study, please contact Kathleen Feehan at the Urban Institute via email ([nclb-flex@ui.urban.org](mailto:nclb-flex@ui.urban.org)) or call our toll-free number 1-800-217-6741.

Please return your completed questionnaire to:

Kathleen Feehan  
Education Policy Center  
The Urban Institute  
2100 M Street, NW  
Washington, DC 20037

**Thank you for your cooperation in this very important effort!**

## PART I: NCLB Flexibility

1. How familiar are you with the following provisions for flexibility over the use of federal funding authorized under No Child Left Behind? *Mark one response in each row.*

Type of NCLB Flexibility	Not at all Familiar ▼	Familiar with Name only ▼	Somewhat Familiar ▼	Very Familiar ▼
a. <b>Title I Schoolwide Programs</b> Eligible schools may integrate Title I funds with other funds to improve the regular education program for all students in the school.	①	②	③	④
b. <b>Transferability</b> Districts may transfer funds among a set of eligible federal programs.	①	②	③	④
c. <b>REAP-Flex</b> Small rural districts receive additional flexibility in the use of certain federal formula funds.	①	②	③	④
d. <b>Local-Flex</b> Demonstration program that extends the amount of flexibility that participating school districts can exercise over certain federal funds.	①	②	③	④
e. <b>Consolidation of Administrative Funds</b> Districts may consolidate administrative costs for federal programs.	①	②	③	④
f. <b>Waivers or Ed-Flex</b> Districts may be exempted from certain ESEA requirements by Secretary of Education or their state.	①	②	③	④

2. For each kind of flexibility listed in the columns below, please indicate whether your district obtained information from one or more of the specified sources. If you did not receive any information about a particular form of flexibility, please mark "No information" in the final row. *Mark all responses that apply in each column.*

Information Sources	Type of NCLB Flexibility					
	Schoolwide Title I ▼	Transferability ▼	REAP-Flex ▼	Local-Flex ▼	Consolidation Admin. funds ▼	Waivers/Ed-Flex ▼
a. U.S. Department of Education web site or publications (e.g., regulations, program guidance)	①	①	①	①	①	①
b. Direct communication with staff from U.S. Department of Education	②	②	②	②	②	②
c. Information or technical assistance provided by your state educational agency (SEA)	③	③	③	③	③	③
d. Regional providers of technical assistance	④	④	④	④	④	④
e. Workshop or information session (e.g., training for Title I coordinators)	④	④	④	④	④	④
f. Professional organizations (e.g., AASA or Council of Chief State Officers)	⑤	⑤	⑤	⑤	⑤	⑤
g. Other (Specify: _____)	⑥	⑥	⑥	⑥	⑥	⑥
h. No Information	⑦	⑦	⑦	⑦	⑦	⑦

**3. During the past school year (2004-05), did your district use any of the following types of flexibility under No Child Left Behind?**

*Mark one response in each row.*

Type of NCLB Flexibility	Used by district in 2004-05	
	No	Yes
	▼	▼
a. Title I Schoolwide Programs	①	②
b. Transferability	①	②
c. REAP-Flex	①	②
d. Local-Flex	①	②
e. Consolidation of Administrative Funds	①	②
f. Waivers or Ed-Flex	①	②

## **PART II: Learning about Transferability**

*The questions in this section ask specifically about the Transferability provision of the No Child Left Behind Act.*

*Please read the following brief description of the Transferability provision of No Child Left Behind.*

### **Description of Transferability**

The Transferability provision of ESEA allows a local educational agency to transfer up to 50 percent of formula-based funds from certain federal programs to its allocation under other eligible programs in order to use these resources more effectively. Transferred funds must be used in accordance with the rules and requirements of the receiving program. The eligible programs are:

- **Title II Part A**      Improving Teacher Quality State Grants
- **Title II Part D**      Educational Technology State Grants
- **Title IV Part A**      Safe and Drug-Free Schools and Communities State Grants
- **Title V Part A**      State Grants for Innovative Programs

Districts exercising Transferability may also transfer funds into but not out of **Title I Part A**

Districts identified as in need of improvement under Title I of the ESEA may transfer no more than 30 percent of their formula allocation from the eligible programs and must use those transferred funds for improvement activities authorized under section 1116 of Title I. School districts identified for corrective action may not exercise Transferability.

**4. Thinking specifically about Transferability, how useful did you find the following sources for informing your decision about whether or not to use Transferability? If you did not receive any information from a particular source, please mark “No Information” in the final column.** *Mark one response in each row.*

How useful was the information source

Information Sources	Not at all Useful ▼	Somewhat Useful ▼	Very Useful ▼	No Information ▼
a. U.S. Department of Education web site or publications	①	②	③	④
b. Direct communication with U.S. Department of Education staff	①	②	③	④
c. Information or technical assistance provided by your SEA	①	②	③	④
d. Regional providers of technical assistance	①	②	③	④
e. Workshop or information session	①	②	③	④
f. Professional organizations	①	②	③	④
g. Other (Specify: _____)	①	②	③	④

**5. A district planning to use the Transferability provision must notify its SEA in writing of the intent to do so. Did your district provide such notification for the 2004-05 school year?**

*Mark one response.* →

- ① No  
② Yes

**6. Some districts change their plans regarding the use of the Transferability authority during the course of a school year. Did your district actually exercise the Transferability authority during the 2004-05 school year?** *Mark one response.*

① No → *if No* → Continue to next Question

② Yes → *if Yes* → **SKIP to Question 15**

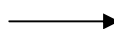
## PART III-A: Questions for Districts NOT using Transferability

**7. To what extent did the following considerations factor into your district's decision not to use Transferability in 2004-05?** *Mark one response in each row.*

Considerations	Influence on Decision		
	No Influence ▼ ①	Minor Influence ▼ ②	Major Influence ▼ ③
a. Was not aware of the Transferability option	①	②	③
b. Did not have enough information about Transferability to make an informed decision	①	②	③
c. District already had enough flexibility over use of funds without Transferability	①	②	③
d. Amount of funds in eligible programs would have been too small to effectively carry out desired activities even after exercising the Transferability option	①	②	③
e. District had been identified as in need of improvement under Title I of the ESEA, so its use of Transferability would have been restricted	①	②	③
f. District was in corrective action under Title I of the ESEA, so it was not be eligible to use Transferability	①	②	③
g. District was told by SEA that it could not use Transferability for a reason <u>other than</u> its accountability status	①	②	③
h. Accounting requirements associated with Transferability would have been burdensome	①	②	③
i. Concern about the possibility of an audit	①	②	③
j. Other (Specify: _____)	①	②	③

**8. Has your district used Transferability in years before 2004-05?**

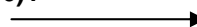
*Mark one response.*



- ① No  
② Yes

**9. Is your district planning to use Transferability this year (2005-06)?**

*Mark one response.*



- ① Yes  
② No  
③ Undecided

**10. The table below lists the federal programs involved in the Transferability authority. For each program, please indicate the amount of your district's allocation for the 2004-05 school year. If your district did not receive funds under a particular program, please enter "0" (zero) in the space provided.**

Initial Allocation for the  
2004-05 School Year

**Funding Category**

(in dollars)



**Title I Part A**

Improving the Achievement of Disadvantaged Children

\$ \_\_\_\_\_

**Title II Part A**

Improving Teacher Quality State Grants

\$ \_\_\_\_\_

**Title II Part D**

Educational Technology State Grants

\$ \_\_\_\_\_

**Title IV Part A**

Safe and Drug-Free Schools and Communities

\$ \_\_\_\_\_

**Title V Part A**

State Grants for Innovative Programs

\$ \_\_\_\_\_

**11. In the space below, please fill in the total amount of revenues your school district received from all sources for the 2004-05 school year.**

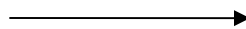
Total district revenues from all  
sources (2004-05 School Year)

\$

*Fill in dollar amount*

**12. Around the first of October 2004, what was the Average Daily Attendance (ADA) level for grades preK-12 in your district?**

*Fill in response.*



Students

**13. Based on the description of Transferability above, consider the following changes that could be made to the terms of the provision. How would each of these possible changes affect your interest in pursuing Transferability?**

*Mark one response in each row.*

Change in Transferability provision	Level of Interest in Transferability if Change is Made			
	Lower Interest	About the Same	Somewhat Higher	Much Higher
	▼	▼	▼	▼
a. If new funding was provided to participating districts over and above existing allocations in eligible programs	①	②	③	④
b. If funds could be transferred <u>from</u> a larger number of federal programs	①	②	③	④
c. If eligible funds could be transferred <u>to</u> a larger number of federal programs	①	②	③	④
d. If transferred funds were not restricted by the rules and regulations of the receiving program	①	②	③	④
e. If a greater proportion of funds in eligible programs could be transferred	①	②	③	④
f. If the terms of participation were not affected by a district's Title I accountability status	①	②	③	④
g. If accounting requirements were relaxed or assistance was offered to maintain necessary records	①	②	③	④
h. Other (Specify: _____)	①	②	③	④

14. This question asks you to provide a basic educational needs assessment for your district. For each of the areas of possible need listed below, please indicate how much of a priority this area is for your district.

*Mark one response in each row.*

Possible Areas of Need	Priority Level		
	Low	Medium	High
	▼	▼	▼
<b>Instruction</b>			
a. Highly qualified teachers	①	②	③
b. Highly qualified paraprofessionals	①	②	③
c. Curriculum and instructional materials	①	②	③
d. Educational technology	①	②	③
<b>Support for Special Programs and Services</b>			
e. Extended-time programs (e.g., before- or after-school, weekend)	①	②	③
f. Summer programs	①	②	③
g. Supplemental educational services (SES) provided under Title I	①	②	③
h. Transportation for Title I school choice participants	①	②	③
<b>Performance on Specific Academic Outcomes</b>			
i. English/Language Arts	①	②	③
j. Mathematics	①	②	③
k. Science	①	②	③
l. Attendance rates	①	②	③
m. Graduation rates	①	②	③
n. Other (Specify: _____)	①	②	③
<b>Performance of Specific Student Groups</b>			
o. Racial and ethnic minorities	①	②	③
p. Low-income students	①	②	③
q. Students with disabilities	①	②	③
r. Limited English Proficiency (LEP) students	①	②	③
s. Students in low-performing schools	①	②	③
t. Kindergarten and pre-K students	①	②	③
u. Elementary students	①	②	③
v. Middle school students	①	②	③
w. High school students	①	②	③

**You have completed the survey.**

**Thank You!**

Please return your completed questionnaire to:

Kathleen Feehan  
Education Policy Center  
The Urban Institute  
2100 M Street, NW  
Washington, DC 20037

### PART III-B: Questions for Districts that used Transferability in 2004-05

15. We would like to learn about the way in which the Transferability authority is administered in your district. In **Column A**, please indicate who is responsible for deciding which applicable funds will be used under the provision. In **Column B**, indicate who is responsible for overall management or oversight of the Transferability authority. If more than one actor shares these responsibilities, mark all responses that apply.

#### Responsibility for Transferability

Mark all responses that apply in each column.

District Actors	(A) Decisions about which funds to use under Transferability ▼	(B) Management or Oversight of Transferability ▼
a. Superintendent	①	①
b. School board	②	②
c. Financial officer	③	③
d. General administrator for all federal programs	④	④
e. Administrators for individual federal programs	⑤	⑤
f. Administrator assigned specifically to manage Transferability	⑥	⑥
g. Other (Specify: _____)	⑦	⑦

16. Districts choose to use the Transferability authority for a variety of reasons. In the space below, briefly describe why your district decided to use this form of flexibility. In particular, please be sure to include: (1) the particular goals you hoped to achieve and (2) the specific programs or activities supported by the funds that have been transferred under this authority. You may attach an additional sheet if you require more space to respond.



**17. Did your district use its Transferability authority in any of the following ways?**

Mark one response in each row.

Transferability used to	No ▼	Yes ▼
a. Increase the amount of federal funds available for high-priority programs	①	②
b. Concentrate federal resources for a smaller number of programs	①	②
c. Initiate <u>new</u> activities that would not have been possible without exercising Transferability	①	②
d. Maintain a stable level of effort for on-going activities that have been affected by budgetary constraints	①	②
e. Target particular student groups or outcomes	①	②

**18. Please describe the way in which your district's use of Transferability has affected the way you allocate federal funds across eligible program categories.**

In the first column below please indicate the amount of funding your district was originally allocated for the past school year (2004-05) for each program. If your district did not receive funds under a particular program, please enter "0" (zero) in the space provided. In the second column please enter the amount of funds allocated to those program activities ***after using Transferability***.

Funding Category	Initial Allocation for the 2004-05 School Year (in dollars) ▼	Allocation <u>after</u> exercising Transferability (in dollars) ▼
<b>Title I Part A</b> Improving the Achievement of Disadvantaged Children	\$ _____	\$ _____
<b>Title II Part A</b> Improving Teacher Quality State Grants	\$ _____	\$ _____
<b>Title II Part D</b> Educational Technology State Grants	\$ _____	\$ _____
<b>Title IV Part A</b> Safe and Drug-Free Schools and Communities	\$ _____	\$ _____
<b>Title V Part A</b> State Grants for Innovative Programs	\$ _____	\$ _____
<b>Total</b> (Values in two columns should be equal)	\$ _____	\$ _____

**19. In the space below, please fill in the total amount of revenues your school district received from all sources for the 2004-05 school year.**

Total district revenues from all sources  
(2004-05 School Year) \$ \_\_\_\_\_

Fill in dollar amount

20. Around the first of October 2004, what was the Average Daily Attendance (ADA) level for grades preK-12 in your district?

Fill in response. →

Students

21. This question asks you to provide a basic educational needs assessment for your district. For each of the areas of possible need listed below, please provide two pieces of information. First, in Column A indicate how much of a priority this area is for your district. Next, in Column B indicate whether your district used Transferability authority to address that area of need.

For each row, mark one response in Column A and one response in Column B.

Possible Areas of Need	(A)			(B)	
	Priority Level			Used Transferability to address need?	
	Low	Medium	High	No	Yes
	▼	▼	▼	▼	▼
<b>Instruction</b>					
a. Highly qualified teachers	①	②	③	①	②
b. Highly qualified paraprofessionals	①	②	③	①	②
c. Curriculum and instructional materials	①	②	③	①	②
d. Educational technology	①	②	③	①	②
<b>Support for Special Programs and Services</b>					
e. Extended-time programs (e.g., before- or after-school, weekend)	①	②	③	①	②
f. Summer programs	①	②	③	①	②
g. Supplemental educational services (SES) provided under Title I	①	②	③	①	②
h. Transportation for Title I school choice participants	①	②	③	①	②
<b>Performance on Specific Academic Outcomes</b>					
i. English/Language Arts	①	②	③	①	②
j. Mathematics	①	②	③	①	②
k. Science	①	②	③	①	②
l. Attendance rates	①	②	③	①	②
m. Graduation rates	①	②	③	①	②
n. Other (Specify: _____)	①	②	③	①	②
<b>Performance of Specific Student Groups</b>					
o. Racial and ethnic minorities	①	②	③	①	②
p. Low-income students	①	②	③	①	②
q. Students with disabilities	①	②	③	①	②
r. Limited English Proficiency (LEP) students	①	②	③	①	②
s. Students in low-performing schools	①	②	③	①	②
t. Kindergarten and pre-K students	①	②	③	①	②
u. Elementary students	①	②	③	①	②
v. Middle school students	①	②	③	①	②
w. High school students	①	②	③	①	②

22. Did your district use Transferability in years before 2004-05?

Mark one response. →

- ① No  
② Yes

23. Is your district planning to use Transferability this year (2005-06)?

Mark one response. →

- ① No  
② Yes  
③ Undecided

24. Please consider the following changes that might be made to the terms of the Transferability provision. How would each of these possible changes affect your interest in continuing to use this provision? Mark one response in each row.

Change in Transferability provision	Level of Interest in Continuing to use Transferability if Change is Made			
	Lower Interest ▼	About the Same ▼	Somewhat Higher ▼	Much Higher ▼
a. If new funding was provided to participating districts over and above existing allocations in eligible programs	①	②	③	④
b. If funds could be transferred <u>from</u> a larger number of federal programs	①	②	③	④
c. If eligible funds could be transferred <u>to</u> a larger number of federal programs	①	②	③	④
d. If transferred funds were not restricted by the rules and regulations of the receiving program	①	②	③	④
e. If a greater proportion of funds in eligible programs could be transferred	①	②	③	④
f. If the terms of participation were not affected by a district's accountability status	①	②	③	④
g. If accounting requirements were relaxed or assistance was offered to maintain necessary records	①	②	③	④
h. Other (Specify: _____)	①	②	③	④

**You have completed the survey.**

**Thank You!**

Please return your completed questionnaire to:

Kathleen Feehan  
Education Policy Center  
The Urban Institute  
2100 M Street, NW  
Washington, DC 20037

## **Appendix D: Transferability Authority District Interview Protocols**

1. Participants
2. Nonparticipants



# **STUDY OF *No Child Left Behind* FLEXIBILITY PROVISIONS**

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## **TRANSFERABILITY AUTHORITY DISTRICT INTERVIEW PROTOCOL (TRANSFERABILITY PARTICIPANT)**

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Thank you for agreeing to speak with me today. I'm \_\_\_\_\_ from the Urban Institute in Washington, D.C. We're conducting this phone interview on behalf of the U.S. Department of Education, which has commissioned the Urban Institute to conduct a case study of School Districts' experiences with Transferability. The goal of this study is to provide other districts and states with information about participation in this program.

In the fall your district participated in a survey we conducted to learn about the Transferability provision of the *No Child Left Behind Act*. The Transferability authority allows districts to exercise expanded flexibility over the way they use funds allocated under certain federal programs. That survey examined the reasons districts choose to use (or not to use) Transferability and the ways in which participating districts are making use of this flexibility. Based on that survey, we learned that your district was using Transferability last year (that is, during the 2004–05 school year). Today, I would like to ask you a few questions to learn more about your district's experiences with Transferability.

Your responses provide extremely valuable information and we are pleased to have your participation. We would like to tape-record this interview to ensure that your responses are accurately recorded. We work very hard to keep all information you provide confidential and will not ever use your name or your district's name in connection with your responses. We will not provide any individually identifying information in reporting your responses and avoid using specific titles. We thank you in advance for providing the expertise and time needed for this case study.



## Respondent Background

- . I would like to start by asking you about the work you do in your current position. Could you tell me about your roles and responsibilities in the district?

***Probe if not offered:***

- \_\_\_\_\_ *What is your current title?*
- \_\_\_\_\_ *How long have you been in your current position?*
- \_\_\_\_\_ *What is your professional background?*
- \_\_\_\_\_ *How long have you been in the education field?*
- \_\_\_\_\_ *What were your previous administrative and teaching positions?*

## Needs for Flexibility

- . Please think back to the time before your district started using Transferability. Did the district feel that there were certain constraints on the use of these federal funds that prevented you from effectively addressing your local educational priorities? If so, please describe these constraints.

***Probe if not offered:***

- \_\_\_\_\_ *Was the funding in particular programs inadequate for needs?*
- \_\_\_\_\_ *Was the distribution of allocated funds across programs poorly aligned with educational needs?*
- \_\_\_\_\_ *Did rules and regulations of particular federal programs impose significant restrictions on the way your district used available federal funds?*

- . We will discuss your strategy for using Transferability in more depth shortly. But generally speaking, what prompted your district to adopt Transferability? Where there particular situations or events that resulted in a need for additional flexibility over the use of federal funds that Transferability helped you to meet?

***Probe if not offered:***

- \_\_\_\_\_ *Has your district experienced any major shifts in its financial situation in recent years that required more flexibility over use of federal funds?*



## Adopting Transferability

4. Could you describe the decision-making process that led to your district adopting Transferability?

*Probe if not offered:*

- \_\_\_\_\_ *Who were key actors (not identified by name) and organizations involved in this process?*
- \_\_\_\_\_ *As [respondent title], what was your role in this process?*
- \_\_\_\_\_ *Did your district consult with the local private schools when deciding whether and how to pursue Transferability?*
- \_\_\_\_\_ *How long did this deliberation process take? Was there sufficient time to investigate thoroughly before the deadline for notifying your SEA?*

5. What were the major pros and cons your district considered when deliberating over whether to exercise Transferability?
6. Has your district had any communication about Transferability with your state education agency (SEA), either at the time you were deciding whether to adopt Transferability or since? If so, what is the nature of this dialog?

*Probe if not offered:*

- \_\_\_\_\_ *Did your SEA inform you of restrictions or limitations on fund transfer (amounts or types of funds, numbers of transfers)?*
- \_\_\_\_\_ *Did your SEA inform you of restrictions on use of Transferability related to AYP or school improvement status?*
- \_\_\_\_\_ *Were you informed about procedures for financial reporting?*

## Strategies for Using Transferability

Now, I would like to talk about your district's strategy for using Transferability in more detail.

- Is your district's strategy for using Transferability documented in a formal plan? If so, who has access to that plan?

8. What educational goals does your district hope to achieve by using Transferability?

***Probe if not offered:***

- \_\_\_\_\_ *What specific achievement outcomes were targeted?*
- \_\_\_\_\_ *Were other academic outcomes targeted?*
- \_\_\_\_\_ *Was support for teacher or paraprofessional quality targeted?*
- \_\_\_\_\_ *How do Transferability goals relate to your district's other educational priorities and improvement strategies?*

9. How does using Transferability allow you to better meet these goals? In other words, what specific activities or programs are being supported by the funding transferred?

10. To what extent would it be possible to undertake these efforts *without* using Transferability?

11. Are these efforts targeted to particular groups of students? For example, does your strategy focus on specific demographic groups, low-income students, students with disabilities, students with limited English proficiency, or students in low performing schools?

12. Does your plan for exercising Transferability include concrete benchmarks for implementation of activities or improvement in student (or other) outcomes?

*If yes ...*

What are these benchmarks?

For student academic outcomes, how do these benchmarks compare to your state's annual measurable objectives for making AYP?

## Transferability Accounting Walkthrough

The survey your district completed in the fall asked for a summary of the ways in which applicable funds were used under the Transferability provision for the 2004–05 fiscal year. Based on this information, we have prepared worksheets that can be used to track the way in which funds allocated to each of the eligible federal programs were utilized under Transferability. These new worksheets examine the allocation and the use of Transferability in prior years. If specific numbers are not available, please think generally about the trends in how money has been allocated before and after exercising Transferability in prior years.

*This section of the interview will be repeated for each year in which Transferability was used (starting with the first year the provision was employed). Information obtained from district surveys will be pre-entered into worksheets. These summaries will be sent to the respondent for review prior to the interview. Data will be updated and corrected during the interview as applicable.*

Please look at the worksheets we sent you earlier, which summarize the federal funding your district receives for programs involved with Transferability.

Please look at the worksheets we sent you earlier, which summarize the federal funding your district receives for programs involved with Transferability.

13. Let's start with your district's allocations under these programs for the [200\_\_] school year. For each of these programs, I would like you to answer several brief questions. Beginning with [program] ...

13a. What was the initial amount of the federal allocation?

13b. How much of the funding allocated to this program was utilized under the Transferability provision?

Summary questions after filling out the worksheet

13c. Has the way you exercised Transferability changed since using this provision? If yes, why have these changes occurred?

13d. Have trends in carryover funding changed for these programs over the past three years? Why or Why not?

If specific numbers are not available:

13e. What are the general trends in the use of these Title funds in the past three years? Has the amount of money used for activities after exercising Transferability changed in the past three years? What specific changes have occurred? Why were these changes made? Have trends in carryover funding changed in this time period? Why or why not?

14. Several of the programs into which funds can be transferred under the Transferability authority have provisions for statutory set-asides. Specifically, these are: Title I, Part A; Title II, Part D; and Title IV, Part A. When transferring funds into these programs, how did your district determine and account for the amounts to be set aside?
15. Did exercising Transferability affect your district's ability to maintain services under this set of programs at levels comparable to those supported prior to using Transferability? If so, how was each of these programs affected?
16. Have changes in your district's AYP or school improvement status affected the way you have used Transferability?

***Probe** further if not offered:*

- \_\_\_\_\_ *Did making AYP (or failing to do so) result in a shift of priorities or targets?*
- \_\_\_\_\_ *Has your district been identified as in need of improvement under Title I of the ESEA (limiting the amount of funds that can be transferred and their uses)? If so, has that affect the way your district used Transferability?*

## **Record-Keeping and Reporting**

Now I would like to ask you about the record-keeping and reporting associated with exercising Transferability.

17. How does your district maintain financial records for documenting the way in which applicable funds are transferred under Transferability?

***Probe** further if necessary in order to classify record keeping methods:*

- \_\_\_\_\_ *How are funds are moved from one program account to another?*
- \_\_\_\_\_ *Is a new separate account is established for transferred funds?*
- \_\_\_\_\_ *Do transferred funds remain in original account but documentation is maintained to show how those funds have been reclassified?*
- \_\_\_\_\_ *Is there some other method of accounting?*

18. What other financial and program information is your district required to report to state agencies as part of exercising Transferability? Has your district been formally reviewed or audited since it started using Transferability?

19. Do these record-keeping and reporting requirements differ from routine procedures (i.e., what you would be expected to do if you weren't exercising Transferability)? If so, did your district encounter any challenges in meeting these requirements?
20. Has the amount of time and effort your district devotes to reporting and record-keeping changed as a result of exercising Transferability? If so, how?
21. Has your state educational agency provided any guidance or assistance with respect to maintaining financial or programmatic documentation associated with Transferability?

### **Experiences with the Transferability Provision**

Now I would like to ask you some questions about your experience using Transferability.

22. To what extent has Transferability helped your district to better *utilize federal funds* to meet your local needs?
23. Earlier you described the kinds of educational activities your district supports under the federal programs associated with Transferability. To what extent has Transferability helped your district to *promote the educational activities and programs* you targeted with applicable funds?
24. In each of these areas—allocating funds and promoting activities—are there particular ways in which Transferability has been especially helpful to your district? Are there areas where Transferability is not currently meeting your needs for additional flexibility?

***Probe further if not offered:***

- \_\_\_\_\_ *Could these needs for greater flexibility be addressed by revising your current strategy for using the Transferability authority (i.e., operating within the current rules of the provision)?*
- \_\_\_\_\_ *If not, what additional flexibility would your district need to address these needs?*

## Transferability and Targeted Goals

We have just discussed the ways in which Transferability can assist participants in directing resources to better meet local educational activities. Now I would like to ask about the extent to which Transferability has helped your district work towards the educational goals it has targeted. It can sometimes take a while for the effects of programs like Transferability to show up in certain outcomes like student achievement. So I am asking you to share your impressions of how Transferability may be contributing to progress on these outcomes *so far*.

25. Earlier you mentioned some specific performance goals that your district is targeting with Transferability. Have you seen improvement in these outcomes since starting to use Transferability? How do you think Transferability might have contributed to these improvements?

26. Do you think Transferability has helped your district's efforts to make AYP? If so, how?

*Probe if not offered:*

- \_\_\_\_\_ *What was your district AYP status before and after Transferability?*
- \_\_\_\_\_ *Have overall performance levels changed?*
- \_\_\_\_\_ *Have gaps between high- and low-performing students and schools changed?*

## Plans for Using Transferability in the Future

7. Does your district plan to continue using Transferability next year?

*If no,*

What are your reasons for not pursuing Transferability next year? Do you think you might use Transferability again at some point in the future?

*If yes,*

Do you anticipate making any changes to your strategy? This might include things like changing: the type or amount of applicable federal funds you transferred; the set of activities you support with transferred dollars; or the way these efforts are targeted to particular groups of students or particular outcomes.

## Conclusion

28. Overall, what would you say has been the best thing about using Transferability?
29. What is the least positive aspect of exercising Transferability or the part of the provision you would most like to see changed?
30. Are there any other issues that we have not talked about that you think are important for understanding your district's experience using Transferability?

***Probe if not offered:***

\_\_\_\_\_ *Are there unintended consequences—either positive or negative—as a result of using Transferability (e.g., related to fund allocation, support for programmatic activities, or student and teacher outcomes)?*

Thank you very much for taking the time for this interview today. Your insights will be extremely helpful in our efforts to learn more about Transferability.





# **STUDY OF *No Child Left Behind* FLEXIBILITY PROVISIONS**

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## **TRANSFERABILITY AUTHORITY**

### **DISTRICT INTERVIEW PROTOCOL (TRANSFERABILITY NONPARTICIPANT)**

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Thank you for agreeing to speak with me today. I'm \_\_\_\_\_ from the Urban Institute in Washington, D.C. We're conducting this phone interview on behalf of the U.S. Department of Education, which has commissioned the Urban Institute to conduct a case study of School Districts' experiences with Transferability. The goal of this study is to provide other districts and states with information about why districts may choose to participate or not participate in this program.

In the fall your district participated in a survey we conducted to learn about the Transferability provision of the *No Child Left Behind Act*. The Transferability authority allows districts to exercise expanded flexibility over the way they use funds allocated under certain federal programs. That survey examined the reasons districts choose to use (or not to use) Transferability and the ways in which participating districts are making use of this flexibility. Based on that survey, we learned that your district was not using Transferability last year (that is, during the 2004–05 school year). Today, I would like to ask you a few questions to learn more about why your district decided not to use Transferability.

Your responses provide extremely valuable information and we are pleased to have your participation. We would like to tape-record this interview to ensure that your responses are accurately recorded. We work very hard to keep all information you provide confidential and will not ever use your name or your district's name in connection with your responses. We will not provide any individually identifying information in reporting your responses and avoid using specific titles. We thank you in advance for providing the expertise and time needed for this case study.

## BACKGROUND

1. I would like to start by asking you about the work you do in your current position. Could you tell me about your roles and responsibilities in the district?

***Probe** if not offered:*

- \_\_\_\_\_ *What is your current title?*
- \_\_\_\_\_ *How long have you been in your current position?*
- \_\_\_\_\_ *What is your professional background?*
- \_\_\_\_\_ *How long have you been in the education field?*
- \_\_\_\_\_ *What were your previous administrative and teaching positions?*

2. In general, how familiar are you with the Transferability provision of NCLB?

***Probe** if not offered:*

- \_\_\_\_\_ *Were there any barriers to obtaining information about the Transferability provision?*
- \_\_\_\_\_ *Was there any particular information or technical assistance that was unavailable but would have been helpful?*

If respondent is unfamiliar with the provision, describe the provision to the respondent using the text below:

*The Transferability provision of ESEA allows a local educational agency to transfer up to 50 percent of formula-based funds from certain federal programs to its allocation under other eligible programs in order to use these resources more effectively. Transferred funds must be used in accordance with the rules and requirements of the receiving program. The eligible programs are: Title II, Part A, (Improving Teacher Quality State Grants); Title II, Part D, (Educational Technology State Grants); Title IV, Part A, (Safe and Drug-Free Schools and Communities State Grants); and Title V, Part A, (State Grants for Innovative Programs). Districts exercising Transferability may also transfer funds into but not out of Title I, Part A.*

3. Were you involved in your district's decision not to use Transferability? If so, what was your role in that process?

## REASONS FOR NOT USING TRANSFERABILITY

4. Could you describe to me the reasons your district has decided not to use Transferability? Please feel free to mention kind of decision-making process that was involved and the major pros and cons that might have been discussed (Please make sure all of the probes below are covered).

***Probe if not offered:***

- \_\_\_\_\_ *Was the amount of funding allocated to these eligible programs a consideration in not using Transferability?*
- \_\_\_\_\_ *Was the particular set of applicable programs under Transferability a consideration? That is, would you have been more likely to use Transferability if a larger number of programs were considered applicable funding sources or if funds could be used for activities authorized under a larger number of programs?*
- \_\_\_\_\_ *Did your district have any concerns about its ability to maintain the accounting records necessary to document the use of eligible funds, as required under the provision?*
- \_\_\_\_\_ *Funds transferred under the Transferability provision must be used according to the rules and regulations of the programs receiving the funds. Was this aspect of the provision a factor in your district's decision not to use Transferability?*
- \_\_\_\_\_ *Under the terms of the Transferability provision, limits are placed on the amount of funds that can be transferred. For example a district not identified as "in need of improvement" under Title I of NCLB may transfer up to 50 percent of the formula-based funds in eligible programs. Was this limit a factor in your district's decision not to use Transferability?*
- \_\_\_\_\_ *The extent to which a district can use Transferability depends on its accountability status. Specifically, districts identified as "in need of improvement" under Title I of NCLB may transfer no more than 30 percent of their formula allocations from the eligible programs and must use those transferred funds for improvement activities authorized under Section 1116 of Title I. In addition, districts identified for corrective action may not exercise Transferability. Was your district's academic performance and accountability status a factor in its decision not to employ Transferability?*

## CONCLUSION

5. Does your district have any current unmet needs for greater flexibility over the way it uses its federal funding allocations to address local educational priorities? If so, what are these needs?

6. Are there any other issues that we have not talked about that you think are important for understanding the reasons your district decided not to use Transferability?

Thank you very much for taking the time for this interview today. Your insights will be extremely helpful in our efforts to learn more about Transferability.





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