

Resourcing for Results: Understanding States' School Improvement Funding Practices

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Authored by

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About Education First

Education First is a national, mission-driven strategy and policy organization with deep expertise in education improvement. We help system leaders, advocates, funders and policymakers think bigger and work smarter to create the conditions that drive equity, coherence and excellence for all students. Our mission is to deliver exceptional ideas, experience-based solutions and results so all students—and particularly Black, Indigenous and other students of color and students living in low-income communities—are prepared for success in college, career and life.

About this Report

Education First conducted this study to examine how state education agencies (SEAs) allocate federal and state funding to aid schools identified for support and improvement as required by the Every Student Succeeds Act (ESSA). Our aim is to identify and share promising practices that better align funding with need, support sustained academic improvement and build coherence across initiatives. The study was funded by the Gates Foundation.

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Executive Summary

Education First conducted this study to examine how state education agencies (SEAs) allocate federal and state funding to aid schools identified for support and improvement as required by the Every Student Succeeds Act (ESSA). Our aim is to identify and share promising practices that better align funding with need, support sustained academic improvement and build coherence across initiatives.

Despite the federal requirement for states to set aside 7% of Title I, Part A funding to support schools¹ identified for improvement, there remains limited understanding of how states decide which schools receive funding, how much is allocated and what strategic priorities or rationale shape these decisions. This report aims to fill that gap.

Drawing on research from **29 states**, including document reviews, interviews and a survey, this report addresses three core objectives:

- Evaluate how SEAs currently allocate school improvement funds
- Identify promising practices in allocating funding and leveraging state funds
- Recommend strategies for improving the sufficiency, coherence and strategic use of funding

Key Findings

- 1. States make different decisions about which schools to fund.**
 - a. Most states in our sample fund all school types identified for improvement (CSI, TSI and ATSI), but some limit funding to CSI schools or use competitive processes to prioritize schools with the greatest needs or with specific improvement strategies.
- 2. Funding amounts are mostly based on fixed, non-evaluative factors.**
 - a. States in our sample typically determine funding amounts using fixed, non-evaluative information like designation type, enrollment size, or per-pupil formulas. Few directly assess whether funds match the cost of the improvement strategies proposed or the levels needed to support them. However, some states with competitive approaches like Colorado and Delaware attempt to do so.
- 3. Hybrid funding approaches show promise in balancing equity and innovation.**
 - a. States like Massachusetts and Rhode Island use a mix of formula and competitive funding to ensure baseline support while incentivizing more ambitious, strategic improvement plans through targeted competitive grants.

¹ While school improvement funds ultimately support identified schools, they are allocated to local education agencies (LEAs), not directly to individual schools. LEAs must apply for these funds, consistent with the process used for other federal education programs. However, state education agencies determine allocation amounts based on the schools identified for improvement within each LEA.

Recommendations

Given that federal school improvement funds are chronically under-resourced, **states should act to:**

1. Adopt competitive or hybrid allocation approaches that prioritize need, strategic alignment and the cost of evidence-based strategies
2. Leverage other federal and state funding streams to build coherence across improvement efforts and increase the total resources available
3. Invest in SEA and LEA capacity to evaluate, support, and implement high-quality improvement strategies tied to instructional quality and equity
4. Design state funding to complement federal dollars, ensuring schools not prioritized by federal formulas (e.g., TSI) are not left behind

Federal policymakers should:

- Increase overall funding and consider re-establishing competitive federal grants to support school improvement.
- Fund research comparing the effectiveness of different allocation approaches and elevate best practices across states.
- Clarify and strengthen SEA oversight responsibilities in how improvement funds are used.

In sum, strategic, sufficient and coherent funding is essential to enabling sustainable school improvement. While ESSA provides flexibility, this report underscores the need for states and the federal government to be more intentional in using limited dollars to drive measurable results for students most in need.

Background and Methodology

ESSA requires states to identify schools in need of improvement and provides funding through states to support the implementation of these schools' improvement strategies. States are required to set aside 7% of their Title I, Part A funds for this purpose and to distribute these funds to LEAs for use in supporting improvement at specific identified schools. However, states have significant flexibility in how they allocate these funds—allowing them to make choices about which schools receive the funding and how much.

Section 1003 in Title 1, Part A of ESSA requires states to:

- Allocate the funding via formula or competitive grant or both.
- Ensure allocations to LEAs “represent the geographic diversity of the State” and “are of sufficient size to enable a local educational agency to effectively implement selected strategies.”
- Prioritize allocating funds to LEAs that: “serve high numbers, or a high percentage of...schools implementing (improvement) plans,” “demonstrate the greatest need for such funds” and “demonstrate the strongest commitment to using funds...to improve student achievement and student outcomes.”

Under federal law, three different designations of schools can receive federal school improvement funding: Comprehensive Support and Improvement schools (CSI), Targeted Support and Improvement schools (TSI) and Additional Targeted Support and Improvement schools (ATSI). States can choose whether to fund all of these schools or a subset of them.

DEFINITIONS

There are three different possible criteria for identifying CSI schools:

- Lowest-Performing 5%: Based on all indicators, states must identify the lowest-performing 5% of Title I schools for comprehensive support and improvement (CSI).
- Low Graduation Rate: States can also identify high schools that fail to graduate one-third or more of their students as CSI.
- ATSI Exit Status: States can also identify Title I schools identified for additional targeted support (ATSI) under ESEA Section 111(d)(2)(C)(D) that must meet the statewide exit criteria within a state-determined number of years as CSI.

States vary in their approach to identifying TSI and ATSI schools.

- TSI schools are identified when schools are consistently underperforming for any group of students, as defined by the state.
- ATSI schools are identified when a specific student group is performing at a level as low as the lowest-performing 5% of schools statewide. This is considered a more urgent designation and must use the same criteria as CSI schools.

Section 1003 in Title 1, Part A, Every Student Succeeds Act

Despite the flexibility these statutory requirements allow, the field only has a baseline understanding of how states are making decisions about which identified schools to fund and how much funding to provide them. Research scans have identified how many states are using a formula, competitive grants, or both to allocate these funds²—but little is known about what those formulas or grants look like in practice, how they align with the federal requirements or the impacts different approaches might have.

Understanding these practices is particularly important given research shows current federal funding amounts are insufficient to address the needs of schools identified for improvement. A study by the [American Institutes for Research](#) (AIR) finds that Comprehensive Support and Improvement schools (CSI) are spending an average of an additional \$303 per student compared to a minimum of an additional \$8,000 per student AIR estimates would be needed to drive improvement. In this under-resourced environment, states must make choices about the most strategic and impactful ways to distribute limited funding.

² In [Reassessing ESSA Implementation: An Equity Analysis of School Accountability Systems](#) (2024), EdTust found that of the 37 states that publish information, approximately half use competitive grants (14 states) and the other half use formula grants (16 states). Two states use both and two states use a formula that also requires an application.

Education First’s research aims to surface trends across the country in how states allocate ESSA school improvement funding to districts and their identified schools—and what those approaches signal about how states are prioritizing the use of limited federal school improvement funding. We also explore if and how states allocate additional state-appropriated funds to support school improvement efforts and how these funds supplement federal funds.

Methodology

To better understand how states are allocating limited federal school improvement funds, Education First conducted a multi-method research effort. Our goal was to capture the details of how state education agencies (SEAs) distribute these funds, specifically, which schools are funded and how funding amounts are determined. These two decision points reflect how states are prioritizing needs and making tradeoffs in an under-resourced environment.

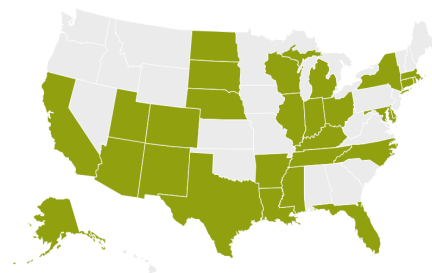
Our research began with raw data shared by EdTrust from their [Reassessing ESSA Implementation: An Equity Analysis of School Accountability Systems](#) report. We used this as a foundation to expand our review and fill in missing details.

Our research activities included:

- **Desk research** of public documents from SEA websites, including state ESSA plans, school accountability pages, budget reports and related materials;
- **Phone calls** with school improvement offices to clarify or supplement findings;
- **Email outreach** to SEAs requesting additional data and participation in a brief survey;
- **State Profiles** sent to SEA leaders to verify information we've collected and to add a rationale for their state's funding approaches;
- **Interviews** with SEA leaders to get a deeper understanding of their approach, rationale and evolution of their funding models.

This mixed-methods approach enabled us to capture and analyze state-level approaches to federal and state school improvement funding, identify emerging patterns and highlight promising practices across the country.

Our final sample includes information from 29 states. *It's important to note that the quality, clarity and level of publicly available information on school improvement funding varies. While some states provide detailed documentation on their allocation formulas, eligibility criteria and award amounts, others offer limited or outdated information—or none at all. This uneven transparency made it challenging to obtain a consistent level of detail across all states. Additionally, while we supplemented our desk research with targeted outreach to SEA leaders, the response rate was limited. As a result, some of the data presented in this report may only partially reflect current practices. These limitations underscore the broader need for greater public transparency around how federal school improvement funds are allocated and used.*



Findings

Based on the information we've gathered from document review, desk research, surveys and interviews, we have substantive enough information for 29 states to analyze how they are making two main decisions on how to distribute limited federal school improvement funding: (1) Which identified schools to give money to and (2) how to determine funding amounts.

Finding #1: In many states, all identified schools receive funding—but some states are prioritizing funding CSI schools and/or using a competitive approach to fund a subset of identified schools.

For most states in our sample, funding is provided to schools with both comprehensive and targeted designations, but a few only provide federal funding to CSI schools.

- 21 states in our sample provide funding to both comprehensive (CSI) and targeted designations (TSI or ATSI) including: *Alaska, Arizona, Arkansas, Colorado, Connecticut, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Mississippi, Nebraska, New York, North Dakota, Ohio, Rhode Island, South Dakota, Tennessee, Texas, Wisconsin.*
- 8 states in our sample provide funds only to CSI schools, including: *California, Delaware, Florida, Michigan, Nevada, New Mexico, North Carolina, Utah.*

In states that use a formula-based approach, all schools with the funded designation type(s) receive some level of support. In contrast, states using a competitive approach introduce an additional layer of prioritization through the application process itself, allowing them to target funding toward specific identified schools.

A competitive approach creates the potential for states to select which schools to fund based on a specific set of strategic, targeted factors.

- Five states in our sample use a competitive approach, and an additional five states use a competitive approach combined with a formula (hybrid approach).

For example, states like Indiana and Colorado use an extensive rubric to determine which schools to fund. Colorado describes their approach as “a needs-based approach designed to maximize impact on student learning, incentivize innovative ideas, create a fair and transparent process, increase efficacy and efficiency, provide greater predictability to LEAs, and prioritize LEAs with high numbers or high percentages of low-performing schools.” In Indiana, “Next Gen SIG takes a systemic approach to school transformation meant to rethink and reconsider the fundamental structures that exist within underperforming schools to better meet student needs. The expectation for all grantees will be that all schools included in the intervention exit CSI or TSI status by the end of the four years.” However, the competitive approach is not automatically more selective. Some states appear to use the approach largely to confirm that schools meet funding requirements.

While many states in our sample do not publish a rationale for their funding approach or explain why they prioritize specific schools, states that fund only CSI schools may view their approach as aligned with the federal statute's requirement to prioritize funding for identified schools with the "greatest need for such funds." Ultimately, states are navigating several tensions in determining their funding approach including funding availability, alignment to state priorities, simplicity and accessibility of the approach, as well as attempts to direct resources where needed most. Ohio's story illuminates this tension.

Aligning Priorities While Navigating Shifting and Competing Needs State Spotlight: Ohio

Ohio's approach to allocating federal school improvement funds balances practicality and state priorities. The state currently uses a non-competitive formula to distribute Title I 1003(a) funds to Comprehensive Support and Improvement (CSI) and some Additional Targeted Support and Improvement (ATSI) schools. According to Colleen Grady, a state leader overseeing these grants, the formula is intentionally straightforward: "It very much looks at the funds that we have in the 7% set aside and the number of buildings that we are serving," with CSI schools receiving somewhat higher allocations than ATSI schools. A \$10,000 enhancement is available for rural schools, though Grady noted, "truthfully, we do not have many of our rural schools that end up identified as CSI."

This formula-based model replaced a previous competitive process, a shift that was influenced by capacity concerns and a desire to reach schools with the greatest needs. Often schools serving highly vulnerable student populations struggled to compete effectively under the old model; in part due to having limited capacities to craft competitive applications. The move toward formula allocations reflects a desire to build school-level capacity rather than reward grant-writing prowess. "We have some schools with very high needs, but in using a pure competition, they often were kind of left out of the funding," Grady explained.

Still, Ohio is treating this period as transitional. The state is currently preparing for an external evaluation of the formula's effectiveness and may revisit a competitive model in the coming years, particularly as the number of CSI schools increases and available dollars are spread more thinly. "Right now, with 155 schools, there's a sufficient amount of funds," Grady said. "If we add 300 schools to that amount, I have a concern about those funds being able to be used in a targeted way that will really give us an impact."

This external evaluation of Ohio's approach is part of an effort to ensure tighter alignment between state priorities—such as literacy, math and chronic absenteeism—and the use of school improvement funds. LEAs are now required to include literacy and math goals in their improvement plans, and regional support teams are being directed to deliver services that reinforce these focus areas. In parallel, the state continues to implement its unique "Expanding Opportunities" grant which funds high-dosage tutoring, career and technical education pathways and other student-facing interventions in schools identified for improvement. Ohio funds this grant by exercising the optional Direct Student Services³ provision in ESSA. They are currently the only state to do so. "We want that fiscal review to not just be compliance," Grady said, "but to ensure there is an alignment." That ethos—shifting from compliance to coherence—now underpins Ohio's entire school improvement strategy.

³ For more background on the Direct Student Services option established in ESSA, see USED [this letter](#) sent to states.

Finding #2: States are determining funding amounts based on fixed, non-evaluative characteristics—with some exceptions among states utilizing competitive approaches.

After they've decided which schools to fund, states must determine how much funding each school receives. This decision point presents another opportunity to prioritize the effective utilization of limited funding. In our sample, states are making different choices about how to determine the amount of school improvement funding that identified schools receive. These approaches vary in the extent to which they prioritize certain schools, ensure baseline equity or tailor funding to specific school characteristics. We've identified six different approaches for how states decide funding amounts for schools. These approaches are not mutually exclusive; states use one or a combination of them. We also found that both formula and competitive states utilized these approaches.

- 15 states in our sample tier funding amounts by schools' identification designation, prioritizing certain types of schools for larger investments.
 - + For example, New York sets tiered allocations with CSI schools receiving \$250,000, ATSI schools \$150,000, TSI schools \$75,000, and Target District schools \$50,000.
 - + Other states that tier funding amounts by schools' identification designation include Alaska, Arkansas, Colorado, Connecticut, Illinois, Louisiana, Mississippi, Nebraska, Nevada, New Mexico, Ohio, South Dakota, Utah and Wisconsin.
 - *Mississippi's team explained, "[this approach allows us] to provide support to all identified schools, regardless of identification,...to support interventions for improving outcomes and decreasing gaps."*
- 8 states in our sample utilize flat base allocations, ensuring each identified school gets at least a minimum amount of funding, though that base may vary by school type.
 - + In New Mexico, for example, the base amount varies by designation and school size: Urban MRI schools receive \$125,000, while Micro MRI schools receive \$115,000; Urban CSI schools get \$110,000, and Micro CSI schools get \$90,000.
 - *New Mexico's state team explained, "One of the strengths of these funds is that they can be customized to fit the unique needs of each school or district. This flexibility means that funds are used in the most effective way possible, addressing local challenges and focusing on the areas where students need it most."*
 - + Other states that use base allocations include California, Massachusetts, Mississippi, New York, Tennessee, Utah and Wisconsin.

- 14 states in our sample allocate funding based on student enrollment size, making funding proportionate to the number of students served.
 - + Delaware, for instance, uses a formula that provides approximately \$800 per student for the first \$2.4 million in available funding, with additional funds distributed competitively.
 - + Other states allocating funding based on student enrollment include Arizona, Arkansas, Florida, Illinois, Kentucky, Maryland, Massachusetts, Michigan, Nebraska, North Dakota, Rhode Island, South Dakota and Utah.

- 4 states in our sample combine a flat base amount with a per-pupil add-on, blending equity and scale.
 - + Utah uses different base amounts depending on the reason for a school's identification—such as low-performing student groups or low graduation rates—and adds funds based on the number of students in relevant cohorts.
 - *Utah's team explained their rationale, "each year, more schools are being identified and this can ensure that each school receives funding to support school improvement, evidence-based interventions and activities."*
 - + Florida, North Carolina and Wisconsin also combine a flat base amount with a per-pupil add-on.

- 12 states in our sample incorporate additional non-evaluative factors, such as school size, location, or local fiscal capacity, to further differentiate funding.
 - + For example, Ohio provides rural schools with an additional \$10,000.
 - + Other states using this method include Arkansas, Colorado, Florida, Illinois, Kentucky, Michigan, Nebraska, New Mexico, North Dakota, Texas and Wisconsin.

- 5 states in our sample use a hybrid funding approach, awarding schools a base amount but reserving a portion of funds to allocate competitively or strategically.
 - + Rhode Island, for example, provides a formula-based base allocation, but reserves 50% of its school improvement funds for competitive grants that support partnerships, innovation and bold redesign efforts among CSI and TSI schools.
 - + Other states using hybrid models include Connecticut, Delaware, Massachusetts and Michigan.

While states' rationales for their funding approaches may vary and are not often publicly available, states appear to be prioritizing more funding to schools that "demonstrate the greatest need for such funds." For example, schools serving a greater number of students have a greater need for funding.

Most states that tier funding by school identification designation are providing more funding to CSI schools than to TSI schools, reflecting the more comprehensive needs of CSI schools. Some states also offer more funding to CSI schools that have been identified due to performing in the

bottom 5% than to CSI schools identified for a low graduation rate. Similarly, some states provide ATSI schools with more funding than TSI, reflecting the more severe needs of these schools.

However, differentiating funding amounts based on non-evaluative, fixed characteristics does not account for the cost of the evidence-based strategies laid out in school improvement plans. This makes the alignment between funding levels and the strategies being funded unclear. This lack of alignment also makes it unclear how states are fulfilling two federal requirements:

- to ensure “allotments are of sufficient size to enable a local educational agency to effectively implement selected strategies.”
- to prioritize LEAs that “demonstrate the strongest commitment to using funds... to improve student achievement and student outcomes.”

Some states using a competitive approach appear to utilize the competitive process to differentiate funding levels for schools, at least in part, based on the cost of planned improvement strategies. For example, grant applicants in Colorado (see spotlight below) select from a menu of support where the award sizes vary based on the proposed intervention. In Delaware, which uses both a formula and competitive approach, for the competitive funds, Delaware determines award amounts based, in part, on “verified costs.” However, not all of the states using a competitive approach in our sample align funding with costs. Some, like New Mexico and South Dakota, use only quantifiable characteristics to determine funding levels.

Tailoring Competitive Funding to Need, Readiness and Strategy State Spotlight: Colorado

Colorado has developed a streamlined, competitive approach to school improvement funding that blends rigor with tailored support. Grants are awarded based on a district’s or school’s level of need, identification status, their evidence-based strategies and their readiness to implement them. The state’s Empowering Action for School Improvement (EASI) grant process, unifies both federal (Title I, Part A, Section 1003) and state transformation grant dollars into a single application system. Federal and state funds are tracked separately behind the scenes, applicants engage with one unified process, easing the burden on districts and schools navigating multiple timelines and requirements.

“We really wanted as much coherence for the state as possible,” said Lisa Medler, Executive Director of Accountability and Continuous Improvement. “It doesn’t work cleanly behind the scenes, but it’s absolutely worth it if it means we can get funding where it’s needed most.”

In selecting which schools receive grants, Colorado uses a prioritization rubric to rank applicants by need, awarding points based on federal and state identification designations, such as being in the lowest 5% or having persistently low graduation rates. Bonus points are given to schools with both state and federal designations or to those that haven’t previously received EASI grants. Districts with a high concentration of identified schools may also receive priority when applying for districtwide support. Colorado also reserves a portion of its state transformation funds to support schools that appear before the state board, ensuring intensive intervention for the most persistently underperforming sites.

All applicants are also evaluated using a rubric that considers the quality of their improvement plan and their capacity to implement it. At the same time, Colorado Department of Education (CDE) staff engage in extensive pre- and post-application conversations to ensure strong alignment between local context and selected interventions. For schools that don't receive funding, the SEA works to connect them with alternative supports to avoid a winners-and-losers dynamic.

"We don't want a district signing up for a two-year initiative if their superintendent is turning over," explained Lindsey Jaeckel, who helps lead the process. "Sometimes, we advise them to start with a diagnostic instead. It's about matching the right support to the right moment."

At the heart of EASI is a curated menu of support options⁴ that reflect Colorado's strategic priorities and evidence-based practices. This menu allows Colorado to vary funding amounts based on the proposed intervention and the school's eligibility status. The EASI application is organized around these menu options, referred to as "routes," such as Exploration Supports, District Designed and Led, or Offered Services, each with varying expectations and funding levels. The routes have different criteria and ways of awarding funds geared to specific goals, allowing districts flexibility while maintaining a strong quality bar. The menu is updated based on field feedback and a recurring evaluation cycle led by SEA leadership. Unspent funds are actively monitored and reallocated mid-cycle to address emerging needs, providing a level of responsiveness that makes the system both strategic and nimble.

Colorado's model demonstrates how states can build a coherent, capacity-oriented system that balances local autonomy with state priorities. By braiding funding streams, offering tailored technical assistance, and ensuring alignment between need, readiness and strategy, Colorado has created a school improvement system that's predictable, responsive and built to evolve.

Finding #3: States using a hybrid approach are prioritizing innovation, balancing needs and aligning funding with evidence-based strategies.

States utilizing a hybrid approach—both a formula and competitive funding—are balancing the challenging choice states must make about whether, with limited funding, to support a broader set of schools with less funding or prioritize supporting a narrower set of schools more deeply. A hybrid approach allows states to provide identified schools with a base level of funding via a formula, and then utilize the opportunity to win additional competitive funding as a way to reward school improvement plans they deem strategic, fill an unmet need, invest in state priorities and incentivize innovation.

In a state profile Rhode Island completed for our research, they provided a rationale for their hybrid approach which illustrates the logic behind this balance: *"This dual approach ensures baseline support to all eligible schools while incentivizing innovation and collaboration. Rhode Island's approach, which combines a 50% per-pupil allocation and an additional 50% that schools can apply for, promotes equity. Very small schools often receive only a nominal total per-pupil allocation, so the additional funds available can substantially increase their total award. The*

⁴ For more detail on Colorado's routes and menu of supports, see this ["EASI Application Routes & Services"](#) page.

competitive funds are used as leverage to produce higher-quality plans and allow the agency to prioritize specific initiatives (e.g., implementing high-quality curricular materials)."

Across the five states using a hybrid approach in our sample, states are leveraging the competitive component of their approach to serve a variety of purposes, including:

- Supporting partnerships
- Encouraging the creation of higher-quality school improvement plans
- Aligning funds with evidence-based, state priorities
- Supplementing awards for schools with greater needs or insufficient funding
- Providing LEAs with funding to access statewide technical assistance
- Verifying the costs of selected strategies

Since states and LEAs know identified schools are receiving a baseline level of support, a hybrid approach also creates conditions for states and LEAs to experiment and take greater risks with the remaining available funds. For example, Massachusetts recognized that specific identified schools were failing to make meaningful progress despite funding and support—a common challenge across the country. In response, the state developed the competitive Intensive Assistance Grant (IAG), to invest significantly more in a select number of schools with a deep focus on improving instructional practices.⁵ Whether this bet results in the intended reversal of these schools' persistent struggles is still to be seen—but Massachusetts was more confident in making this bet since it didn't come at the expense of supporting a broader set of identified schools in the state.

Finding #4: Some states are using additional state funds to expand support and build flexibility into school improvement efforts.

In addition to leveraging federal school improvement funds, five states in our sample, Colorado, Florida, Massachusetts, Nebraska and Utah, allocate state dollars to support school improvement. The rationale behind the states' approach vary, but they appear to serve several strategic purposes:

- expanding the number of schools that receive support,
- funding schools not covered by federal eligibility criteria, and
- adding flexibility for states to address local priorities and evolving needs.

Many schools that require improvement do not meet the specific identification criteria under ESSA and therefore are not eligible for federal school improvement funds. For example, Nebraska and Massachusetts intentionally prioritize their state funds for schools identified through the state's accountability system or other state-defined criteria that go beyond federal designations.

⁵ The design of the Intensive Assistance Grant (IAG) is influenced by a previous grant program that showed evidence of impact. See more here: <https://www.doe.mass.edu/turnaround/howitworks/impact-study.pdf>.

How states distribute state school improvement funds varies. Florida, Massachusetts, Nebraska and Utah use a formula-based approach, though each has designed that formula differently:

- Some distribute a flat amount per eligible school.
- Others differentiate funding based on student enrollment size, the number of identified student groups or accountability tiers.

Colorado demonstrates one of the most integrated approaches. The state pools its state school improvement funds with federal funds as part of a single, competitive application process. However, only schools identified through Colorado's state accountability system are eligible to receive the state dollars. Once schools apply through the unified process, Colorado's SEA determines behind the scenes whether a school's award will be funded with federal or state dollars, helping streamline the process for applicants while ensuring compliance with both funding streams.

Massachusetts similarly uses its state dollars to expand the reach of its improvement strategy. While federal funds are directed toward schools in the bottom 5% of the state's accountability system, state funds support schools in the next performance band (the 6th–10th percentile), providing proactive support to schools at risk of slipping into federal identification status. Nebraska follows a comparable approach, using state funds to support "Priority Schools" identified through its state system.

Overall, these examples illustrate how state funding can be a powerful tool for extending the reach and coherence of school improvement efforts. We spotlight Massachusetts's approach below.

Utilizing State Funding and a Hybrid Approach to Balance Equity and Strategy

STATE SPOTLIGHT: MASSACHUSETTS

Massachusetts supports its lowest-performing schools by combining state and federal funding and then allocating this funding through a hybrid approach that allows the state to both expand the number of schools it supports and deepen support for schools struggling to improve.

The Targeted Assistance Grant (TAG) is a formula-based grant funded by both federal Title I School Improvement dollars and state resources. It provides funding to all districts with schools in the bottom 10 percentile of the state's accountability system, ensuring a base level of support even for those not identified for federal intervention.

"We wanted to make sure everyone's getting something," explained Michael Seymour, a leader in the state's district support office. "If you're going to do it competitively, you're ultimately going to leave people out."

The Intensive Assistance Grant (IAG), in contrast, is a competitive grant that targets schools performing in the bottom 3 percentile for at least five consecutive years. With approximately \$1 million allocated per school over three years, this grant is designed to drive deep instructional improvement in schools that have struggled for years without meaningful progress. The IAG focuses heavily on classroom instruction, requiring schools to implement strong coaching models, use high-quality instructional materials, and provide teachers with consistent, actionable feedback.

"This grant is about instruction—improving instructional practice at its core. With IAG, we set an even higher bar: we expect districts to define a clear instructional priority, describe what that looks like in schools, and then use the funding specifically to advance that vision," explained Erica Champagne, Director at the state's office of Effective Practices in Turnaround.

A cornerstone of both grants is coherence. TAG funds are only approved when tied to a district's identified instructional priority, surfaced during a required District Prioritization Institute. This process ensures that spending addresses the most pressing local needs and aligns with broader statewide goals around high-quality instruction and equity.

"We've moved from trying to fix everything to picking one priority and doing it really well," Michael said. "If we end up with quality instruction in every classroom, that's a great foundation."

Massachusetts' model reflects a broader belief in balancing system-level support with school-specific investments and allowing for locally driven priorities within a structured framework. By expanding its accountability lens beyond federal requirements and supplementing federal dollars with state funds, the state is attempting to ensure that resources are distributed both equitably and strategically, and that no school is left without support.

Recommendations

The findings in this report reveal that while most states are meeting the federal requirement to allocate school improvement funds, many are doing so in ways that inadvertently dilute their potential impact. Too often, states are taking a peanut butter approach, spreading funds thinly and uniformly across all identified schools, regardless of the nature or quality of the improvement strategies proposed. This is particularly prevalent among states using formula-based approaches, which allocate equal or fixed funding to schools without assessing whether the funds are sufficient to support the selected interventions or strategically aligned to school needs.

Such approaches may appear equitable on the surface but risk leaving schools without the level of support necessary to achieve meaningful improvement. In many cases, this results in funding school improvement plans that are unlikely to succeed, or providing insufficient resources to implement strong, evidence-based strategies. Moreover, this practice undermines coherence across state priorities, as school improvement efforts operate in parallel to, rather than integrated with, broader state initiatives around instructional quality and student outcomes.

Therefore, our recommendations focus on shifting away from equalizing access to funds toward prioritizing impact, promoting allocation approaches that make more strategic, selective and coherent funding decisions. We call on states to use competitive or hybrid funding approaches that ensure funding is:

- **Strategic:** Ensure evidence-based school improvement plans rooted in needs-assessments are driving funding requests; rather than available funding driving the selection of strategies.
- **Sufficient:** Ensure school improvement funding is adequate to support successful improvement.
- **Coherent:** Ensure school improvement efforts are centered at the core of SEA's efforts to improve teaching and learning, drawing on funding, focus and expertise from across the agency.

State Policy and Practice Recommendations

1. **Shift to utilizing competitive or hybrid allocation⁶ approaches so funding is driven by needs and evidence-based strategies.** States should allocate federal school improvement funding in a way that matches funding levels with needs—which competitive grants are best suited for. Not all improvement efforts cost the same. Applications for competitive grants allow for an LEA and its identified schools to lay out specific evidence-based strategies chosen to provide solutions for the challenges identified in their needs assessment, and a budget for implementing these strategies. This approach helps

⁶ This is in line with [Ed Trust](#) recommendations for structuring hybrid approaches that encourage states' to utilize formula funding to support planning and capacity building and competitive grants to encourage schools to make data-informed decisions about intervention strategies.

ensure that the strategies are driving funding requests; rather than available funding driving the selection of strategies. States may consider:

- Utilizing rubrics, interviews and other methods to assess whether the implementation plan is likely to succeed.
- Funding applications where the overall funding will be adequate for the selected strategies.
- Designing application criteria that are responsive to variations in local capacities—requiring better-resourced LEAs to contribute funding while more fully covering the improvement efforts of under-resourced LEAs.

2. Leverage other federal funding sources to promote coherence and increase total resources available for school improvement.

Since federal funding is unlikely to ever be enough to adequately support all identified schools, states must help fill the gaps. States should have their own funding mechanisms for school improvement, which should include building SEA and LEA capacities to support school improvement. States may consider:

- Beyond the Title 1, Part A set-aside, some other federal funding streams require or encourage the funds to be prioritized for supporting CSI, TSI and ATSI schools. For example, ESEA encourages using funds from some other federal funding streams to support schools identified for improvement—such as Title IV, Part A Student Support and Academic Enrichment (SSAE) Grants, Title IV, Part B 21st Century Community Learning Center Grants and funds for Promise Neighborhoods and High-Quality Charter Schools.
- Creating a single, streamlined application that allows schools to braid multiple funding streams in support of one cohesive school improvement plan.

3. Supplement federal funds with restricted state funding that complements and expands support.

State funding should be designed to work as seamlessly as possible with federal school improvement funding, so that there is a single process for LEAs to access both federal and state funding support.

- States should also strategically leverage state funding to fill needs not being met by federal funds. For example, if states are prioritizing federal funding for CSI schools, then states could focus state funding on TSI schools.

4. Strengthen SEA capacity and coherence to support high-quality implementation of evidence-based school improvement strategies.

School improvement should not be a specialized or side initiative of SEAs—it should be the core of what they do. School improvement should be intimately integrated into broader statewide initiatives to ingrain evidence-based strategies across the state, such as efforts to adopt High-Quality Instructional Materials, utilize the science of reading, build teacher and leader capacity and implement high-dosage tutoring. This creates an opportunity to coordinate funding from different federal and state programs to strategically support school improvement while also enhancing coherence between state initiatives. States may consider:

- Investing in the processes and expert personnel necessary to effectively evaluate competitive grant applications for quality and alignment with evidence-based strategies.
- Identifying statewide challenges and designing evidence-based initiatives that center school improvement in the response to these challenges.
- Encouraging identified schools to include core common evidence-based components in school improvement plans, such as using HQIM and building teacher and leader capacity to use HQIM effectively.
- Improving state report cards so families and the public understand a school's improvement story—why it was identified, what is being done to improve it and with what resources, and how they can engage.

Federal Policy Recommendations

While changes to federal policy seem unlikely in the current political and policy environment, federal policy makers have several opportunities for change under current law and others that may be considered in a future reauthorization.

Under Current Law:

1. Congress should increase funding for school improvement either by increasing Title 1 funding or by re-establishing federal grant funding. While ESSA eliminated the authorization for school improvement grant (SIG) funding, congress has the authority to allocate 'unauthorized' funding.
2. Congress should fund research on states' funding allocation approaches to better understand the correlation between funding and successful improvement.
3. USED should focus targeted monitoring of Title 1 spending on school improvement funding.
4. USED should develop and disseminate best practices for allocating school improvement funding through non-regulatory guidance or other methods.

Considerations for an ESSA Reauthorization:

1. Increase the percentage of funds set aside for school improvement from Title I, Part A and/or re-establish federal school improvement grant (SIG) funding.
2. Create new funding mechanisms specifically focused on:
 - Building SEA and LEA capacity to support school improvement.
 - Sustaining improvements after schools exit improvement status.
3. Increase USED's capacity to monitor and enforce ESSA's requirements related to the allocation and use of federal school improvement funds and reporting on these funds.
4. Clarify and bolster ESSA's requirements on SEAs monitoring of how LEAs use school improvement funds.

Recommendations for Further Research

This study highlights both promising practices and persistent gaps in how states allocate and manage school improvement funding. To advance the field and strengthen the impact of federal and state investments, further research is needed in several key areas:

- **Assess the impact of different allocation approaches on student outcomes.** Comparative studies should explore whether formula, competitive or hybrid funding models are more effective in driving sustained improvements in student achievement, graduation rates and other key indicators; and what the impact is for specific allocation approaches within those models.
- **Examine the alignment between funding levels and the actual costs of evidence-based strategies.** Research is needed to better understand whether current funding levels are sufficient to implement the evidence-based interventions outlined in school improvement plans, and how funding gaps may vary by strategy.
- **Study coherence across federal and state funding streams.** Future studies should investigate how states are leveraging and aligning multiple funding sources (federal Title programs, state funds, philanthropic dollars) to support school improvement and which models of coherence are most effective.
- **Examine transparency and monitoring practices.** Additional research should assess the extent to which states are making funding decisions and their rationale transparent to stakeholders, and how monitoring practices are ensuring that funds are used effectively and aligned with improvement goals.

Future research in these areas can equip states and federal policymakers with stronger evidence on what works, helping ensure that every dollar invested in school improvement drives measurable and lasting benefits for students.

Conclusion

This report underscores a clear message: how states allocate school improvement funds has profound implications for educational equity and student success, especially in an environment where resources are stretched too thin. Too often, allocation decisions default to fixed, non-evaluative factors that fail to align resources with what schools actually need to drive improvement. Yet, the promising examples we found—from Colorado to Delaware to Massachusetts and Ohio—show that a more strategic, coherent and equity-driven approach is both possible and urgently needed.

The path forward demands stronger leadership and bolder action at the state level. Federal policy can and should evolve to provide more support and clearer expectations, but the most immediate opportunity lies with state leaders themselves. States must not wait. They should:

- Redesign funding approaches to match dollars with strategy and need, moving away from formulaic allocations that ignore readiness or impact.
- Integrate school improvement into the core of statewide academic priorities and capacity-building efforts, ensuring coherence across funding streams and initiatives.
- Leverage and braid state and federal resources to extend the reach and sufficiency of support, because federal funds alone will never be enough.
- Strengthen transparency, monitoring and accountability so that stakeholders know where funds are going, what they are funding and whether they are driving real change.

The challenges are real, but so is the opportunity. Every dollar should be treated as an investment in student success, particularly for those furthest from opportunity. States that move now to modernize their school improvement funding systems can lead the way in transforming how resources support meaningful, lasting educational improvement.

Appendix A: Sample Federal Funding Allocation Approaches

State	Federal Funding Approach Summary							
	Formula	Competitive	Use a hybrid funding approach	Tiered amounts by schools' identification designation	Flat base allocations	Utilize a measure of the school's student enrollment size	Utilize a flat base plus a per-pupil add-on	Consider other non-evaluative factors
AK	X			X				
AZ		X				X		
AR	X			X		X		X
CA	X				X			
CO		X		X				X
CT	X	X	X	X				
DE	X	X	X			X		
FL	X					X	X	X
IL	X			X		X		X
IN		X						
KY	X					X		X
LA		X		X				
MD	X					X		
MA	X		X		X			
		X			X	X		
MI	X	X	X			X		X

State	Federal Funding Approach Summary							
	Formula	Competitive	Use a hybrid funding approach	Tiered amounts by schools' identification designation	Flat base allocations	Utilize a measure of the school's student enrollment size	Utilize a flat base plus a per-pupil add-on	Consider other non-evaluative factors
MS	X			X	X			
NE	X			X		X		X
NV	X			X				
NM	X			X	X			X
NY	X			X	X			
NC	X						X	
ND	X					X		X
OH	X			X				X
RI	X	X	X			X		
SD	X			X		X		
TN	X				X			
TX		X						X
UT	X			X	X	X	X	
WI	X			X	X		X	X
Totals	24	10	5	15	8	14	4	12

State	Federal Funding Allocation Approach Description
AK	<p>Alaska uses a formula funding approach based on school identification type (CSI, CSI Graduation Rate, TSI). Eligible schools are those identified as CSI, CSI Graduation Rate, or TSI. The funding levels are up to \$50,000 for CSI 5%, up to \$25,000 for CSI Graduation Rate, and up to \$25,000 for TSI.</p> <p>Rationale: The rationale is not specified.</p>
AZ	<p>Arizona uses a competitive funding approach for CSI and TSI/ATSI grants, which are based on allowable expenses, evidence-based strategies, and action steps in the Integrated Action Plan. The Comprehensive Support and Improvement (CSI LA/G) Grant supports CSI schools, while the TSI grant supports TSI/ATSI schools. Eligibility for the Comprehensive Support and Improvement (CSI LA/G) Grant is based on CSI Low-Achievement or Low-Graduation status. Eligibility for the TSI grant is based on TSI/ATSI status and school enrollment size. The funding levels are up to \$30,000 for schools with ≤350 students, \$40,000 for 351–600, \$50,000 for 601–900, and \$60,000 for >900 students.</p> <p>Rationale: The rationale is not specified.</p>
AR	<p>Arkansas uses a formula funding approach. The formula approach is based on available funding and the number of schools identified for support, prioritizing districts as follows: 1) CSI + ATSI, 2) CSI, 3) ATSI, 4) TSI. Eligibility is based on LEAs with schools identified for support. Funding is distributed as follows: 90% of total funding goes to COMPREHENSIVE schools and 10% to ADDITIONAL TARGETED schools. The formula is then based on Average Daily Membership (ADM), or the number of students enrolled at a school, divided by the poverty percentage.</p> <p>Rationale: The rationale is not specified.</p>
CA	<p>California uses a formula funding approach based on LEAs submitting an approved application. Eligibility is based on LEAs with CSI-identified schools. Funds must be used to develop and implement a CSI plan for each eligible school in the 2025–26 school year and must only be used at or on behalf of schools eligible for CSI.</p> <p>Rationale: The rationale is not specified.</p>
CO	<p>Colorado uses a competitive, needs-based funding approach. The approach is based on school status (e.g., lowest 5%, graduation rate, ATSI status) and prioritizes based on point tiers. Eligible schools have federal and state designations. Funding depends on the chosen improvement route and eligibility; bonus points are available for schools with additional state/federal identifications. Rationale: Colorado's approach aims to maximize impact on student learning, incentivize evidence-based, locally driven improvement strategies, promote transparency and efficiency and prioritize schools with the greatest needs. This system replaces multiple overlapping applications with a unified process that better matches district and school needs with available services and funding.</p>

State	Federal Funding Allocation Approach Description
CT	<p>Connecticut uses both formula and competitive funding approaches. The formula is based on the proportion of Turnaround and Focus schools within an Opportunity District. Competitive funds are awarded based on the quality and transformative potential of the application, which is evaluated using a rubric. Focus and Turnaround schools within an Opportunity District are eligible for formula funds. Focus and Turnaround schools outside of an Opportunity District are eligible for competitive funds. Focus Schools receive no less than \$50,000, Turnaround Schools receive no less than \$200,000, and no school may receive more than \$500,000. Opportunity District: Opportunity Districts are the 10 lowest-performing districts in the state based on the Accountability Index. Focus School: Schools with consistently lagging academic achievement, growth or graduation rates for students with high needs (students with disabilities, English learners, and students from low-income families). Focus schools are those in the bottom 10 percent of schools statewide based on the average percentage of growth target achieved by students with high needs in ELA or mathematics in each of the prior three years (those schools that take the Smarter Balanced Assessment). Turnaround School: Schools with low overall performance as measured by Connecticut's Next Generation Accountability System. Turnaround schools have a three-year weighted average of the Accountability Index that is in the bottom 5 percent of all schools statewide or they have a six-year adjusted cohort graduation rate for all students that is less than 70 percent in each of the three most recent cohorts.</p> <p>Rationale: The rationale is not specified.</p>
DE	<p>Delaware uses both formula and competitive funding approaches. Additional competitive funds are available if schools find that formula funds are insufficient. Eligible schools are CSI-identified. The formula approach is based on a per-pupil amount for the first \$2.4 million. Based on estimates of the total enrollment across identified schools of approximately 3,000 students, the per-pupil amount for formula awards will be approximately \$800. The rest of the state's available federal funds, \$600,000–\$700,000, are then allocated competitively. Competitive grant awards are determined based on strategy alignment to identified needs, evidence base of selected strategies, and verified costs.</p> <p>Rationale: The rationale is not specified.</p>
FL	<p>Florida uses a formula funding approach based on Federal Index, school identification designation, school size, and Free/Reduced Lunch percentages. CSI schools with a Federal Index below 41% receive a base amount depending on student enrollment: \$100,000 for schools with 500 or more students, \$75,000 for schools with 100–499 students, and \$50,000 for schools with fewer than 100 students. CSI schools with a Federal Index at or below 67% receive a base amount depending on student enrollment: \$50,000 for schools with 500 or more students, \$35,000 for schools with 100–499 students, and \$10,000 for schools with fewer than 100 students. Schools also receive additional per-pupil funds. CSI Title I schools with a 2021–22 Federal Index above or below 41% and a school grade of F receive \$500 per pupil if 75% or more of students qualify for free or reduced-price lunch. If the percentage is below 75%, the school receives 98% of that amount. Schools with a D grade under the same Federal Index criteria receive 95% of \$500 per pupil if 75% or more of students qualify for free or reduced-price lunch, and 93% if the percentage is below 75%. Eligible schools are Title I and Non-Title I schools identified as CSI based on the Federal Index and/or graduation rate.</p> <p><u>Rationale:</u> The rationale is not specified.</p>

State	Federal Funding Allocation Approach Description
IL	Illinois uses a formula funding approach based on a school-level equity formula, including Safe Harbor, Evidence-Based Funding, and enrollment. Eligible LEAs have schools that are TSI or CSI identified. Rationale: The rationale is not specified.
IN	Indiana uses a competitive funding approach based on school identification (TSI/CSI) and application strength. Eligible schools are identified for TSI and CSI. Grantees will receive up to \$300,000 in Planning Grant funds for the first academic year and up to \$3 million distributed over the next three years for implementation. Rationale: The rationale is not specified.
KY	Kentucky uses a formula funding approach based on a per-pupil amount multiplied by a school's growth factor. The Growth Factor represents attendance information reported for the first two (2) school months, which includes aggregate days of attendance and absences, race and gender counts, adjustments for partial-day students, nonresident and no-contract students, and over- and under-age students. All identified schools are eligible for funding, but CSI schools are prioritized. Rationale: Funds are distributed strategically to promote balanced opportunities for student success across all settings.
LA	Louisiana uses a competitive funding approach. Eligible schools are identified as Comprehensive Intervention Required (CIR), which are equivalent to CSI schools, or Urgent Intervention Required for Academics (UIR-Academics), which are equivalent to TSI schools. Rationale: The rationale is not specified.
MD	Maryland uses a formula funding approach based on a per-pupil allocation. LEAs with CSI and ATSI identified schools are eligible. Rationale: The rationale is not specified.
MA	Massachusetts uses a formula approach for its Targeted Assistance Grant (TAG). Funds go to schools in the bottom 10 percentiles with a federal designation or are identified as underperforming. Rationale: To ensure schools with a federal designation or identified as underperforming receive funds.
	Massachusetts uses a competitive approach for its Intensive Assistance Grant (IAG). IAG targets schools with an overall performance in the 1–3 percentiles on state accountability determinations for at least the past five consecutive years that are not identified as Underperforming on the state accountability system. To support schools that have been low-performing for at least the past five school years with the delivery of high-quality instruction
MI	Michigan uses both formula and competitive funding approaches. The state's Regional Assistance Grant (RAG) uses a formula based on school enrollment and the number of CSI schools per LEA. The state's Technical Assistance Grant (TAG) uses a competitive approach to funding. LEAs with CSI schools are eligible for RAG funding. LEAs with CSI, TSI or ATSI schools are eligible for TAG. Funding levels: 72.5% of formula 1003 funds go to LEAs for improvement activities; 21.5% of funds are reserved as competitive funds for statewide technical assistance; 0.08% of funds are reserved for statewide monitoring and

State	Federal Funding Allocation Approach Description
	evaluation activities. Rationale: The rationale is not specified.
MS	<p>Mississippi uses a formula funding approach based on school designation and tier. CSI, TSI, and ATSI schools are eligible. For Comprehensive Support and Improvement (CSI) schools, those identified as in the Lowest 5% (Tier I) receive \$100,000 per school site. Schools identified for low graduation rates (Tier II) receive \$70,000, and those identified for escalated subgroup performance issues (Tier III) receive \$60,000. For Targeted Support and Improvement (TSI) schools, those with consistently underperforming subgroups (Tier IV) receive \$40,000 per site. Similarly, Additional Targeted Support and Improvement (ATSI) schools identified for low-performing subgroups (also Tier IV) receive \$40,000 per school site.</p> <p>Rationale: To support all identified schools regardless of identification as applied by the methodology to support interventions for improving outcomes and decreasing gaps.</p>
NE	<p>Nebraska uses formula funding based on student enrollment and number of designations and years in designation. Only schools identified as CSI (Comprehensive Support and Improvement) or CSI-ATSI (Additional Targeted Support and Improvement schools that did not exit after three years) are eligible.</p> <p>Rationale: Nebraska prioritizes these schools for federal funding because of the student populations they serve.</p>
NV	<p>Nevada uses a formula funding approach based on a school's designation status. Based on the criteria established in the Nevada ESSA Plan, the State identified the lowest-performing schools as those most in need of school improvement funding for State Fiscal Year 2025. The schools, federally designated as More Rigorous Intervention (MRI) for the 2024–2025 academic year, were prioritized for funding on a formula basis. Schools identified as MRI are CSI schools that do not exit the status after 3 years. The funds were allocated equitably across the identified schools and distributed through local educational agencies.</p> <p>Rationale: No rationale specified.</p>
NM	<p>New Mexico uses formula funding to local education agencies (LEA) with Comprehensive Support and Improvement (CSI) and More Rigorous Intervention (MRI). MRI schools have not met the CSI exit criteria for 3 years. Allocations are determined by the number and type of identified schools—CSI and MRI—within an LEA. MRI schools receive higher allocations than CSI schools. District size further adjusts funding tiers: Micro (<200 students), Small (<4,000), and Urban (>4,000). Funds are awarded at the district level, which budgets the funds among identified schools. Rural districts with fewer than 200 students receive an additional \$10,000 per identified school.</p> <p>Rationale: The formula accounts for the intensity of need (CSI vs. MRI) and local context (district size and rurality), aligning with ESSA's emphasis on supporting rural, low-income areas and allowing districts flexibility in deploying funds to best support their schools.</p>

State	Federal Funding Allocation Approach Description
NY	<p>New York uses a formula approach that is fixed per-site and district based on identification status. New York allocates federal school improvement funds using a standardized funding model tied to ESSA designations: \$50,000 per Target District; \$250,000 per Comprehensive Support and Improvement (CSI) school; \$150,000 per Additional Targeted Support and Improvement (ATSI) school; \$75,000 per Targeted Support and Improvement (TSI) school. Funds are provided directly to support the implementation of school improvement strategies aligned with each school's needs and designation level.</p> <p>Rationale: New York's approach ensures consistent and predictable funding based on level of need. It simplifies planning and budgeting for districts and schools while ensuring that higher-need designations (e.g., CSI) receive proportionally greater resources to support efforts.</p>
NC	<p>North Carolina uses formula funding with an additional per-pupil allocation for each CSI school. Starting in the 2021–2022 school year, each identified Comprehensive Support and Improvement (CSI) public school receives a base allocation of \$75,000. Additional funds are distributed on a per-pupil basis, using the higher of the two prior-year Actual Average Daily Membership figures. Funds are awarded to the LEA or directly to charter schools on behalf of the participating schools.</p> <p>Rationale: This blended approach ensures a guaranteed baseline of support for all identified schools while adjusting for school size to provide equitable resources for implementation. Using the best of two ADM calculations helps stabilize funding for schools experiencing enrollment fluctuations.</p>
ND	<p>North Dakota utilizes formula funding, which is tiered based on enrollment and with eligibility contingent on LEA participation in required state-led training. Local Education Agencies (LEAs) with identified schools can apply for a Section 1003 school improvement subgrant after completing a required training conducted by the North Dakota Department of Public Instruction (NDDPI). Allocation amounts are based on school enrollment tiers: 300 or fewer students; 301 to 800 students; More than 800 students. All identified schools, regardless of type, are eligible to receive funding.</p> <p>Rationale: North Dakota differentiates funding based on school size to ensure equity across school contexts. Requiring participation in state-led training ensures that LEAs understand federal requirements and are prepared to implement improvement strategies using the funds effectively.</p>
OH	<p>Ohio utilizes a formula funding approach based on the type of district and school designation status. Allocations are based on the number and type of identified buildings within each LEA: CSI (Comprehensive Support and Improvement): ~\$152,017.71 per building; ATSI (Additional Targeted Support and Improvement): ~\$98,811.51 per building; Rural Adjustment: LEAs classified as "rural" under Ohio's district typology receive an additional \$10,000 per identified building. Funds are awarded at the LEA level and may be distributed across identified buildings based on local needs and alignment with their School Improvement Plans (One Plan). If an LEA chooses not to allocate funds to an identified school, it must justify its CCIP (Comprehensive Continuous Improvement Plan) application.</p> <p>Rationale: Rural adjustment acknowledges the distinct challenges faced by rural, low-income communities. Local discretion allows for the targeted use of funds where they are most needed.</p>

State	Federal Funding Allocation Approach Description
RI	<p>Rhode Island uses a combination of formula and competitive funding approaches. Formula: Each year, Rhode Island reserves a portion of its School Improvement: Transformation Support Grant funds for LEAs using a formula consistent with prior §1003(a) practices. Schools identified for Comprehensive Support and Improvement (CSI) receive per-pupil funding amounts roughly aligned with what Priority and Focus schools received under the prior system. Competitive: The remaining 50% of school improvement funds are distributed through a competitive grant process. Schools identified for Comprehensive or Targeted Support and Improvement (CSI or TSI) may apply. These funds are intended to support partnerships, promote innovation, and enable bold school redesign efforts.</p> <p>Rationale: This dual approach ensures baseline support to all eligible schools while incentivizing innovation and collaboration. Rhode Island's approach, which combines a 50% per-pupil allocation and an additional 50% that schools can apply for, promotes equity. Very small schools often receive only a nominal total per-pupil allocation, so the additional funds available can substantially increase their total award. The competitive funds are used as leverage to produce higher-quality plans and allow the agency to prioritize specific initiatives (e.g., implementing high-quality curricular materials).</p>
SD	<p>South Dakota utilizes a formula-based funding approach that is based on enrollment and designation status. South Dakota uses a size- and designation-based formula to determine the maximum award amounts for schools identified for support under ESSA:</p> <p>Comprehensive Support and Improvement (CSI) Schools</p> <p>Enrollment 1–200: Up to \$40,000</p> <p>Enrollment 201–400: Up to \$50,000</p> <p>Enrollment 401+: Up to \$60,000</p> <p>Targeted Support and Improvement (TSI) Schools</p> <p>Enrollment 1–200: Up to \$30,000</p> <p>Enrollment 201–400: Up to \$40,000</p> <p>Enrollment 401+: Up to \$50,000</p> <p>Rationale: No rationale specified.</p>
TN	<p>Tennessee utilizes a formula approach to provide funding to LEAs based on the number of ATSI-designated schools. Tennessee also provides formula funding for CSI schools. Tennessee allows Local Education Agencies (LEAs) to apply for funding based on the number of ATSI schools they serve. Each ATSI school is eligible for up to \$75,000, with total LEA funding calculated as:</p> <p>1 ATSI school = \$75,000</p> <p>2 ATSI schools = \$150,000</p> <p>3 ATSI schools = \$225,000</p> <p>4 ATSI schools = \$300,000</p> <p>n ATSI schools = \$75,000 × n</p>

State	Federal Funding Allocation Approach Description
	<p>CSI schools receive funding based on the current number of priority/CSI schools served in each district using a PerPupil Allocation (PPA) formula. If the PPA district calculation is below \$150,000, then the district will be awarded a minimum allocation of \$182,000 to ensure a sufficient allotment to LEAs to implement selected turnaround strategies effectively.</p> <p>Rationale: This approach is simple, scalable to local needs and allows LEAs to plan and execute targeted intervention.</p>
TX	<p>Texas uses a competitive grant program. LEAs with CSI, TSI and A-TSI schools are eligible to apply. Applications are prioritized based on CSI status, performance and economic disadvantage. The state selects only around 200 schools and funds are intended to support implementation of essential actions and capacity building. Award amounts range between 75k - 120K. The grant program is designed to focus on capacity building and continuous improvement, allocating funding to schools with the greatest need.</p>
UT	<p>Utah allocates school improvement funds through a formula grant, which uses a base amount with add-ons. LEAs with CSI schools are eligible and formulas are as follows:</p> <p>CSI - Low performing student groups: Base amount + number of low performing students</p> <p>CSI - Low Performance: Base amount + number of students in the school within designated grade levels</p> <p>CSI - Low Graduation Rate: Base amount + number of students in the 4-year cohort</p> <p>Rationale: No rationale specified.</p>
WI	<p>Wisconsin uses a few different formulas for its federal school improvement funding allocation method. All Wisconsin public districts with one or more schools identified for CSI, ATSI or More Rigorous Intervention (MRI) schools, which are schools identified for CSI in 2018 that have not exited, are eligible. Formulas are as follows:</p> <p>CSI formula: \$30,000 + \$219/economically disadvantaged student</p> <p>ATSI formula: \$357/student in each identified student group</p> <p>CSI More Rigorous Intervention Formula: \$30,000 + \$219/economically disadvantaged student + \$80,645/school</p> <p>Rationale: No rationale specified.</p>

Appendix B: Sample State Funding Allocation Approaches

State	State Funding Allocation Approach Description
CO	<p>Colorado provides state funding to support the same competitive grant program funded by federal Section 1003 funds. LEAs submit applications for the grant program, and SEA staff determine on the back end whether the grant is funded with federal or state dollars. Schools receiving state funding must be identified as in need of improvement through the state's accountability system.</p> <p>Rationale: This approach allows Colorado to support a greater number of identified schools.</p>
FL	<p>Florida allocates state school improvement funds through a formula based on a per-pupil amount. State funds are distributed on a per-FTE (full-time equivalent) student basis at \$500 per student.</p> <p>CSI schools are eligible to receive state school improvement funds. Florida tiers CSI schools depending on their characteristics. Eligibility Criteria are as follows:</p> <p>Tier 2 and 3 SI schools implementing a State Board-approved Turnaround Option Plan.</p> <p>Tier 2 and 3 SI schools are eligible to receive TSSSA for two additional years after a grade of "C" or higher is achieved.</p> <p>A Tier 2 school is any school that earns a single grade of "F" or a school that earns consecutive low-performing grades and is in the first cycle of turnaround.</p> <p>A Tier 3 school is any school that has completed one or more cycles of turnaround and has not improved its grade to at least a "C."</p>
MA	<p>Massachusetts allocates school improvement funds using a formula that distributes funds to districts for every school within the 6th to 10th percentile. Districts with schools in the 6th-10th percentile for academic performance are eligible to receive the funds.</p> <p>Rationale: The state supplements this grant to ensure that every school or district in need of funding receives assistance. Schools in the 6th to 10th percentile receive state funds, while schools in the 1st to 5th percentile receive federal funds. Providing state funding to schools in the 6th to 10th percentile gives them the support they need before they fall into the 1st to 5th percentile.</p>

State	State Funding Allocation Approach Description
NE	<p>Nebraska allocates state-appropriated funds to state-designated Priority Schools, identified through Nebraska's classification system. The Nebraska Legislature provides \$700,000 annually to the Nebraska Department of Education (NDE), split evenly between NDE staff and school support (\$350,000 each). The State Board of Education identifies priority schools from the lowest performance category, "Needs Support to Improve." These schools receive targeted support through an intervention team and may be paired with external contractors based on identified needs.</p> <p>Rationale: This funding serves a distinct purpose from federal school improvement funds, allowing the state to intervene in schools that may not qualify for federal support but are struggling based on state-defined criteria. It also provides flexibility to design and deliver support aligned with Nebraska's accountability and improvement systems.</p>
OH	<p>Ohio allocates state school improvement funds through its General Revenue Fund (GRF). State funds are allocated to State Support Teams, not districts, to build statewide infrastructure and support for identified schools. The funds and State Support Teams are intended to strengthen the state's capacity to provide technical assistance and professional learning aligned to Ohio's improvement priorities.</p> <p>Rationale: Ultimately, this funding approach allows the state to build infrastructure to support improvement strategies</p>
UT	<p>When state funds are available, Utah allocates state school improvement funds through a formula. ATSI schools are eligible for state school improvement funds. The formula used includes a base amount plus an additional amount for the number of designated student groups within eligible ATSI schools.</p> <p>Rationale: The formula ensured every designated student group within an ATSI-identified school received funding for evidence-based interventions and activities. With the upcoming CSI-Low Performing Students Groups identification, these funds were allocated to provide support to the ATSI student groups for one year to decrease the number of schools identified as CSI-Low Performing Student Groups.</p>

Appendix C: Research Protocols

Question #	Interview Protocol
1	<p>Confirm their method for allocating federal school improvement funding</p> <p>We want to better understand why the state allocates funds the way it does.</p> <p>Based on our desk research, we found that:</p>
2	<p>Rationale</p> <p>Based on your understanding, why does your state allocate federal school improvement funds this way?</p> <p>What do you feel is working well with this approach? What do you think is not working?</p> <p>How do you define success for the use of these funds? (e.g., a vision, a stated goal, metrics against those goals)? What impacts are you seeing on school improvement as a result of these funds, and are there aspects of the allocation approach you think are contributing to those successes?</p>
3	<p>Confirm their state school improvement allocation methods</p> <p>What's the allocation approach for the state dollars going toward school improvement? (formula or competitive)?</p> <p>Do you factor per pupil, per school, or other factors into your decision?</p>
4	<p>Rationale</p> <p>Based on your understanding, why did the state decide on that approach?</p>
5	<p>State-Specific Questions</p> <p><i>Questions in this section were specific to the SEA being interviewed.</i></p>
6	<p>Federal Requirements</p> <p><i>The law requires states to prioritize schools that demonstrate the greatest need and commitment for allocating school improvement funds:</i></p>

Question #	Interview Protocol
	<p>To what extent does your state prioritize funding schools that “demonstrate the greatest need” and “demonstrate the greatest commitment to using the funds”? How does your state do that?</p> <p>How do you ensure the funds provided to LEAs are <i>adequate</i> for school improvement efforts?</p>
7	<p>Testing our Recommendations</p> <p>In our preliminary recommendations, we are encouraging more states to:</p> <ol style="list-style-type: none"> 1) Use competitive funds to drive funding by need and evidence-based strategies. 2) Tap into other federal funding sources. 3) Deepen capacity and coherence at SEAs. <p>What barriers exist to allocating funds based on the quality and cost of evidence-based strategies in the school improvement plans? How are you overcoming those barriers?</p> <p>What are the barriers to tying the funding to broader improvement strategies? How did you all accomplish this?</p> <p>What would you identify as best practices? What advice would you give to other states?</p> <p>What do you wish you could do differently? What are the barriers to doing so, and what would it take to overcome those barriers?</p>

Question #	Survey Questions
1	Which state education agency do you represent?
2	How does your state allocate federal school improvement funds?
3	Does your state ensure that LEAs receiving federal school improvement funds represent the geographic diversity of the state?

	If yes, please explain how:
4	How sufficient do you believe your SEA's federal school improvement fund allotment is for LEAs to implement their selected strategies effectively?
5	Which of the following does your state prioritize for federal school improvement funds? Select all that apply. - Selected Choice Please explain how your state education agency prioritizes the above.
6	How long do LEAs and schools have to utilize federal school improvement funds?
7	Can federal school improvement funds be used to support the LEA or school's needs assessment?
8	Can federal school improvement funds be used to develop the LEA or school improvement plan?
9	Does your state provide additional funding from state revenue sources, separate from federal funding, to support school improvement?" If yes, please provide any direction on where we can learn more about these state funds (link to a document, website or an agency contact):
10	Once LEAs receive federal school improvement funds, what requirements, guidance or monitoring structures exist to ensure the LEAs utilize the funds to support activities in the intended schools?
11	Would you be willing to meet with us to further discuss your state's practices for funding school improvement or recommendations for how federal policy and practices could be changed?

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Arkansas	<ul style="list-style-type: none"> ■ Filled out survey ■ https://dese.ade.arkansas.gov/Files/2023-2024_ESSA_Funds_Spending_Handbook_PSA.pdf ■ https://dese.ade.arkansas.gov/Files/Title_I_School_Improvement_Allocation_Procedures_FAS.pdf
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Colorado	<ul style="list-style-type: none"> ■ Filled out SEA profile ■ Interviewed

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