University Council for Educational Administration
ESSA Brief Series

Issue #1: Investments in Quality Leadership Through the 3% Set-Aside

ESSA Background

On December 10, 2015, the Every Student Succeeds Act (ESSA) was signed into law with strong bipartisan support as the latest reauthorization of the 1965 Elementary and Secondary Education Act (ESEA). ESSA is notable for devolving authority to states, emphasizing the use of evidence-based school interventions, and providing states greater flexibility to design broader school accountability systems while maintaining student performance goals.

Importantly, ESSA offers a renewed focus on school leadership and recognizes the impact of leaders on school improvement and effective instruction. The law provides states and districts new opportunities, including a 3% set-aside, to fund school leadership and explicitly acknowledges leadership as a legitimate target of educational-improvement activities.

Under the law, states were required to submit a plan to the U.S. Department of Education detailing the goals, strategies, and funding priorities for their education system. To gain greater insight into the treatment of school leadership in state education systems, the University Council for Educational Administration (UCEA), with the support of state-based review teams, conducted a comprehensive review of the 52 ESSA plans (50 states, Washington, DC, and Puerto Rico).

Significance of the 3% Set-Aside

Principals and other school leaders play a crucial role in supporting student achievement and positive school cultures. In recognition of the research base endorsing investments in school leadership, ESSA—for the first time in decades—offered states the option to reserve 3% of their Title II, Part A funding allotment to underwrite state-level activities supporting principals and other school leaders. ESSA's designation of state-level funding explicitly to support school leadership represents a major victory for school leader advocates.

States electing to exercise this option have the freedom to choose how they would invest these dedicated funds in accordance with their own goals and visions surrounding school leadership. Some examples of state-level school leadership initiatives that could be supported through the 3% set aside of Title II, Part A funds include (a) the establishment or enhancement of leadership academies, (b) investments in principal licensure and certification systems, and (c) additional subgrants to local education agencies (LEAs) for implementation of turnaround strategies or professional development.

The optional set-aside signifies a significant investment. In raw numbers, 3% of Title II, Part A funding ranges from $300,000 to $7 million depending on the allotment among states electing to exercise the option.

The 3% Set-Aside: At a Glance

- **42% of plans** explicitly stated an intent to exercise the additional 3% set-aside for leadership initiatives.
- The most common uses of the 3% set-aside are **the creation of or investment in existing leadership academies and additional subgrants to LEAs for professional development.**

With ESSA's requirements for evidence-based strategies for school improvement, the dedicated funding of school leadership reaffirms the critical role school leadership plays in student achievement and learning environments. This academic research base provides evidence of important return on investment in school leadership development.

> *"In sum, there is substantial research evidence demonstrating that school leaders are a powerful driver of student outcomes. This evidence base justifies ESSA's investment in school leaders as part of school improvement."*
>
> *– RAND Corporation*

What did UCEA's Analysis Find?

In reviewing ESSA plans, UCEA researchers focused their analysis on explicit language within each plan to ascertain the state's intention to use the optional 3% set-aside. If a state left uncertainty in the wording of the plan, it was determined not to have not been explicitly addressed.

UCEA's 52-plan analysis found that 22 out of 52 plans (42%) explicitly stated in their plan that they intended to exercise the additional 3% set-aside to support leadership initiatives. 23 out of 52 plans (44%) were ambiguous about whether or not they intend to exercise the 3% set-aside. Lastly, the remaining seven plans (14%) explicitly stated that they do not intend to utilize the 3% set-aside.

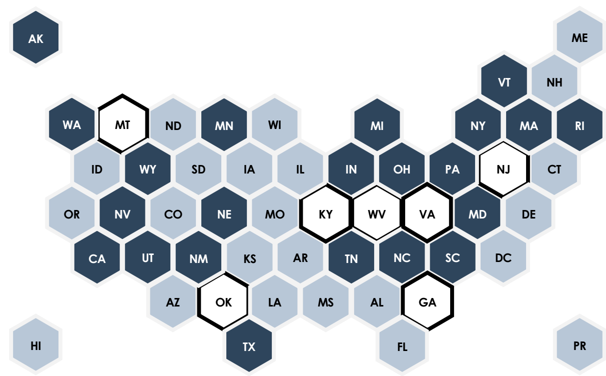
> *"Tennessee will be utilizing ESSA's flexibility in Tile II, Part A to set aside funds specifically for leader development. …We know that effective school leaders play an integral role in improving student achievement. Developing key leadership competencies empowers school leaders to lead learning in schools and create positive learning environments for all students and teachers."*
>
> *– Tennessee's ESSA Plan*

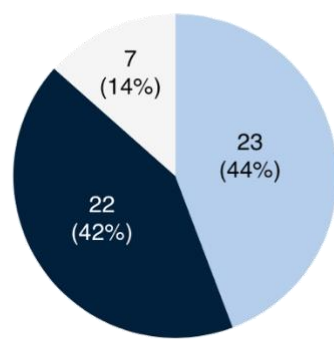
Use of the 3% Set-Aside

States deciding to utilize the new 3% set-aside for state-level school leadership initiatives:

Legend

22 plans explicitly state they will utilize the 3% set-aside.
23 plans do not explicitly address the use of the 3% set-aside.
7 plans explicitly state they will not utilize the 3% set-aside.





It is notable that the current ESSA plan data show a growing number of states choosing to invest in the capacity of school leaders. The U.S. Department of Education released data in 2013 on LEA use of Title II Part A funds and found that only 4% used the funding to support the professional capacity of principals. According to 2017 UCEA data, 42% of states are now dedicating 3% of this funding to state-level activities supporting principals and other school leaders.

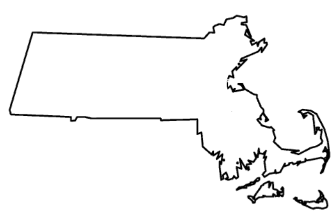
The most common uses of the 3% set-aside identified through UCEA's comprehensive review were the creation of leadership academies and the allocation of additional subgrants to LEAs for professional development. States electing not to exercise the optional 3% set-aside most commonly cited concern around the political challenge of reducing the Title II funding allocated to LEAs.

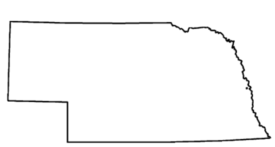
State Highlights

Based on its 52-plan analysis, UCEA researchers choose to highlight four states' plans, which demonstrated thoughtful attention to school leadership through their use of the 3% set-aside. These examples of state investments are merely highlights without claims of exhaustive representation of the variety of thoughtful plans for the use of Title II, Part A funding.

California plans to use a portion of its 3% set-aside to support the work of the California Subject Matter Project, which promotes high-quality teaching and leadership. University faculty, teacher leaders, and teacher practitioners collaborate on California Subject Matter Project activities to improve standards-based instructional practices that lead to increased achievement for all students.

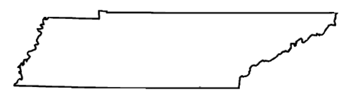
Massachusetts will use its 3% set-aside to fund principal and teacher ambassador fellowships designed to strengthen the principal pipeline and to build principals' effectiveness in supporting implementation of curriculum standards and supporting administrators' efficacy in the educator evaluation standards of effective administrative leadership.





Nebraska aims to use its 3% set-aside to implement the Nebraska Professional Learning Academy. The academy will aim to increase the capacity of school leaders in order to attract, recruit, develop, and retain effective educators.

Tennessee intends to use its 3% set-aside to invest in the Tennessee Transformational Leadership Alliance. Founded in 2016, the alliance responded to research that revealed more than half of the state's principals had three or fewer years of leadership experience. Among its responsibilities, the Alliance sustains the development, expansion, and evaluation of regional providers that focus on innovative leader development models.



Implications

The 3% set-aside of Title II, Part A funds provides an innovative funding pathway to invest in school leadership. While many plans (23) affirmatively declared their intention to exercise the option, states were far less clear on their specific plans for use of the funding. For instance, some plans explained that they intended to use funding from the 3% set-aside on a range of leadership activities determined in consultation with local stakeholders and based on needs.

Repeated budget proposals from the Executive Branch have targeted Title II for elimination. Although Congress has restored Title II funding in authorized budgets, the proposed elimination has subjected the funding stream to uncertainty.

The ambiguity in planning suggests states may be opting for flexibility until the longevity of the funding stream is established. For investments in school leadership to take root, they need to be a foundational part of federal budget structures. If states feel the funding avenue is at risk for elimination under the next ESEA reauthorization, they will be less likely to invest the time and resources necessary to support them.

Encouragingly, only a small minority of plans (7) explicitly declined the dedicated funding and of these states, some expressed support for the concept and a willingness to consider exercising the option in future years. This finding is further evidence suggesting that states are paying closer attention to the important role leadership plays in bolstering student success.

It also should be noted that, while important, the 3% set-aside of Title II, Part A funds is one optional pathway to support school leadership among other avenues available to states. States declining the option can make school leadership a priority in other ways. For instance, three of the seven states that explicitly declined the set-aside—Virginia, Georgia, and Oklahoma—described funding for leadership initiatives beyond their Title II, Part A allotment illustrating their support for school leadership initiatives.

Part of the impact of the 3% set-aside is the availability of a dedicated funding stream. This dedication is a formal reminder about the importance of leadership and serves as an implicit encouragement for the use of funding to advance school leadership. In other words, in order to be most effective, the 3% set-aside should not simply be a one-time opportunity under ESSA. Rather, states need assurance that the set-aside will be included in the next reauthorization of ESEA in order for them to develop long-term, sustainable strategies.

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This brief is part of the UCEA ESSA Briefs Series. The intent of the series is to examine the treatment given to school leadership in ESSA state plans. Under the combined leadership of Marcy Reedy and Trevor A. Doiron, the series was made possible through a collaborative research project with contributions made by UCEA policy associates, headquarters staff, and other ESSA Plan reviewers. Based at the University of Virginia, UCEA is an international consortium of research universities with graduate-level leadership programs. UCEA members are marked by a distinguishing commitment and capacity to lead the field of educational leadership and administration.