



ESEA Flexibility Request
Frequently Asked Questions
Updated April 16, 2012

The U.S. Department of Education (USED) is offering each State educational agency (SEA) the opportunity to request flexibility on behalf of itself, its local educational agencies (LEAs), and its schools, in order to improve the focus on student learning and increasing the quality of instruction. This opportunity will provide educators and State and local leaders with flexibility regarding specific requirements of the No Child Left Behind Act of 2001 (NCLB) in exchange for rigorous and comprehensive State-developed plans designed to improve educational outcomes for all students, close achievement gaps, increase equity, and improve the quality of instruction. This flexibility is intended to build on and support the significant State and local reform efforts already underway in critical areas such as transitioning to college- and career-ready standards and assessments; developing systems of differentiated recognition, accountability, and support; and evaluating and supporting teacher and principal effectiveness.

An SEA seeking approval to implement this flexibility must submit a request that addresses all aspects of the principles and waivers. Within each principle, a specific plan must be developed to meet and/or exceed the rigorous standards of NCLB. Consistent with ESEA section 9401(d)(1), the Secretary intends to grant waivers that are included in this flexibility through the end of the 2013–2014 school year. An SEA will be permitted to request an extension of the initial period of this flexibility prior to the start of the 2014–2015 school year unless this flexibility is superseded by reauthorization of the ESEA. The Department is asking SEAs to submit requests that include plans through the 2014–2015 school year in order to provide a complete picture of the SEA's reform efforts. The Department will not accept a request that meets only some of the principles of this flexibility.

North Carolina is uniquely positioned to support the implementation of the principles outlined in the ESEA Flexibility package as these principles are aligned to the State Board of Education goals:

- A great teacher in every classroom and a great principal in every school;
- College- and career-ready standards;
- Turning around the lowest performing schools; and
- Data systems to improve instruction.

Allowing the LEAs and schools to utilize federal resources more flexibly will ensure that our goals are met.

NOTE: All responses to Frequently Asked Questions noted here are pending until final USED approval.

WAIVERS

1. Which waivers will be included in NC's flexibility request?

The request includes ten (10) specific waivers (see Appendix A). An SEA may not request a portion of this flexibility or implement only some of its principles. This flexibility is intended to build on and support the significant State and local reform efforts already underway.

There are three (3) optional waivers. The optional waiver to provisions of sections 4201(b)(1)(A) and 4204(b)(2)(A) that restrict the activities provided by a community learning center under the Twenty-First Century Community Learning Centers (21st CCLC) program was offered in the original request package.

On February 10, 2012, two (2) additional waivers were added as follows:

- The requirements in ESEA sections 1116(a)(1)(A)-(B) and 1116(c)(1)(A) that require LEAs and SEAs to make determinations of adequate yearly progress (AYP) for schools and LEAs, respectively. The SEA requests this waiver because continuing to determine whether an LEA and its schools make AYP is inconsistent with the SEA's State-developed differentiated recognition, accountability, and support system included in its ESEA flexibility request. The SEA and its LEAs must report on their report cards performance against the AMOs for all subgroups identified in ESEA section 1111(b)(2)(C)(v), and use performance against the AMOs to support continuous improvement in Title I schools that are not reward schools, priority schools, or focus schools.
- The requirements in ESEA section 1113(a)(3)-(4) and (c)(1) that require an LEA to serve eligible schools under Title I in rank order of poverty and to allocate Title I, Part A funds based on that rank ordering. The SEA requests this waiver in order to permit its LEAs to serve a Title I-eligible high school with a graduation rate below 60 percent that the SEA has identified as a priority school even if that school does not rank sufficiently high to be served.

NC is requesting the three (3) optional waivers in addition to the ten (10) comprehensive waivers being offered through its ESEA Flexibility Request.

2. When would ESEA flexibility for 21st CCLC funds take effect?

ESEA flexibility would not affect current 21st CCLC sub-grantees. Rather, this flexibility would take effect for local competitions conducted after an SEA receives ESEA flexibility. Thus, when an SEA runs its next 21st CCLC competition following the receipt of ESEA flexibility, it may solicit applications from eligible entities to provide activities that support high-quality expanded learning time in addition to activities conducted during non-school hours or periods when school is not in session.

FUNDING

3. Following approval of the ESEA Flexibility Request, may an LEA continue to set-aside Title I, Part A funds to provide school choice transportation for students in Title I schools currently (2011-12) identified for school improvement? If so, may these funds be used to transport students to both Title I and non-Title I schools?

Yes. Setting aside Title I funds to support choice transportation efforts will continue to be allowed, as is currently the case under Title I rules.

4. May an SEA allow LEAs currently (2011-12) identified for LEA Improvement to continue their K12/Title I/Non-Title I professional development efforts with existing LEA improvement set-aside funds, with the expectation that LEAs expend remaining funds as carryover within the 2012-2013 school year? If so, can these funds support non-Title I Schools?

Yes. LEA Improvement (set-aside) carryover funds may continue to be used in the same manner for the remainder of the period of availability (Sept. 30, 2013).

5. Upon approval, may the SEA continue to permit the use of 1003(a) carryover funds in schools currently identified for school improvement, corrective action, or restructuring for the full 27-month period of availability? In essence, this would allow a school that received 1003(a) funds for the first time in 2011-12 to continue to have access to these funds until Sept. 30, 2013.

Yes. 1003(a) carryover funds may continue to be used to support currently identified schools through the period of availability (Sept. 30, 2013).

ACCOUNTABILITY

6. What method will NC use to set new Annual Measurable Objectives (AMOs)?

North Carolina AMOs will be set to reduce by half the number of non-proficient students within six years. These targets are set for the "all students" group and for each subgroup at the state level. Targets will be set by subgroups to allow each to progress on their own trajectory. Although there are different starting points, the expectation is greater over the same period of time. Rather than lowering expectations, the subgroups starting at a lower point have to work very hard to reach the end-goal or reducing their non-proficient by half within six years.

NC has set AMO targets in reading and mathematics based on the 2010-11 assessment data. The 2010-11 GS (grades 3-8) baseline was set on the end-of-grade tests in reading and mathematics at grades 3-8. For the HS (high schools), the Algebra I and English I assessments were used. The SBE approved the targets at its February 2011 meeting.

7. What happens if subgroups do not meet AMOs?

Progress on AMOs, along with other measures of student achievement, will be reviewed annually by the SEA to determine schools/districts that may need additional support within the Statewide System of Support. Districts should also review AMO progress and use the results in making decisions about interventions and strategies to address in the district's Title I Plan that will meet the needs of under-performing subgroups in Title I schools.

PRIORITY, FOCUS AND REWARD SCHOOLS

8. What are the SEA's responsibilities with regard to providing differentiated recognition, accountability and support for schools?

In order to meet these requirements, a State-based differentiated recognition, accountability, and support system must include:

- Ambitious but achievable AMOs in at least reading/language arts and mathematics for the State and all LEAs, schools, and subgroups;
- The identification of reward schools, and providing such schools with recognition or rewards;
- The identification of a number of schools equal to at least 5 percent of Title I schools as priority schools, ensuring that LEAs implement interventions aligned with the turnaround principles in such schools, and criteria for determining when a school exits priority status;
- The identification of at least an additional 10 percent of Title I schools as focus schools, ensuring that LEAs implement interventions in such schools, and criteria for determining when a school exits focus status;
- Incentives and supports for other Title I schools that are not making progress in improving student achievement and narrowing achievement gaps, based on the SEA's new AMOs and other measures;
- Building SEA, LEA, and school capacity to improve student learning in all schools and, in particular, in low-performing schools and schools with the largest achievement gaps.

9. What rewards and recognitions are available for Reward schools?

Title I schools selected as the highest-achieving and highest-progress schools in the state may be recognized in the following ways:

- Announcement letter of distinction/selection from the State Superintendent's office;
- School information and replicable practices disseminated publicly in the Title I Distinguished Schools magazine (<http://www.ncpublicschools.org/program-monitoring/distinguished/>)

- Public recognition posted on the NCDPI website and disseminated through multiple listservs (e.g., Superintendents, principals, teachers, afterschool network partnerships, etc.);
- Banners provided for each school for local public display;
- Media clip and photographs provided for use in each district;
- Recognition luncheon at the State Title I Conference in the fall of each year; and
- Priority provided to any selected schools to present at the State's annual Collaborative Conference for Student Achievement.

Schools identified as the top ten percent of all Reward schools may submit portfolios identifying the best practices contributing to the school's success. Portfolios will include plans for schools to receive funds reserved under section 1117(b). The mini-grants will support school efforts to expand and strengthen existing instructional practices and to develop demonstration classrooms in order to spotlight best practices for other teachers across the state.

10. Are there particular interventions that an LEA must implement in its Focus schools?

No. An LEA must implement interventions in its focus schools, which might include one of the interventions provided as an example in the SEA's request, but this flexibility does not prescribe the particular interventions that an LEA must implement. Districts may choose to implement school choice options or before- and after-school tutoring services as well as other interventions in its focus schools. Example interventions may include:

- Extend learning time in coordination with community and business partnerships (e.g., 21st Century Community Learning Center programs, Supplemental Educational Services (SES) providers, etc.);
- Replace all or most of the school staff, which may include the principal, who are relevant to the school's inability to make progress;
- Provide, for all relevant staff, appropriate, scientifically research-based professional development that is likely to improve academic achievement of low-performing students;
- Appoint one or more outside experts to advise the school (1) how to revise and strengthen planning processes; and (2) how to address the specific issues underlying the school's continued inability to make progress;
- Enter into a contract with an entity, such as a private management company, with a demonstrated record of effectiveness, to operate the school as a public school;

Interventions selected for each Focus school must be clearly addressed in revised school improvement plans and aligned to the identified needs of the school. Interventions must include strategies to address the needs of all children particularly the lowest-achieving and how those needs will be met in a timely and effective manner. School plans must be revised and approved by the LEA early in the school year so that schools begin implementing some of the interventions in 2012-13.

11. Will the LEA be required to offer afterschool tutoring in its Focus Schools?

No. Rather than focusing on implementing a “program,” districts must implement interventions in its Focus Schools that reflect evidence-based best practices aligned to overall school improvement efforts within the Title I school program. The comprehensive school plan must identify how the interventions demonstrate the most likelihood for increasing the academic performance for under-performing student subgroups. This may include offering afterschool tutoring.

12. If the LEA chooses to implement afterschool tutoring, will LEAs be required to use State-approved SES providers?

With an approved waiver, the LEA will no longer be required to select State-approved providers. Although the administration of SES under provisions of Section 1116 of ESEA will no longer be required, LEAs and charter schools may choose to offer tutoring services with State-approved SES providers. Through a renewal process, the SEA will maintain the current list of State-approved SES providers through 2014-15. Additionally, NC will monitor and evaluate State-approved SES providers as outlined in its State Board Policy.

13. What federal funds are available to support interventions in Focus schools?

Under NCLB, many LEAs were required to reserve 20 percent of the districts Title I allotment to implement choice and/or Supplemental Educational Services (SES). Under the waivers, funds previously reserved to meet sanction requirements may be used to support implementation of interventions in an LEA’s focus schools.

14. What interventions must an LEA implement in its priority schools?

An LEA that has a priority school must implement interventions aligned with the turnaround principles, which are described in the document titled *ESEA Flexibility* accessible at <http://www.ed.gov/esea/flexibility>. An LEA may also implement any of the four SIG models — the turnaround model, the restart model, the school closure model, and the transformation model — in its priority schools.

Meaningful interventions designed to improve the academic achievement of students in priority schools must be aligned with all of the following “turnaround principles” and selected with family and community input:

- providing strong leadership by: (1) reviewing the performance of the current principal; (2) either replacing the principal if such a change is necessary to ensure strong and effective leadership, or demonstrating to the SEA that the current principal has a track record in improving achievement and has the ability to lead the

- turnaround effort; and (3) providing the principal with operational flexibility in the areas of scheduling, staff, curriculum, and budget;
- ensuring that teachers are effective and able to improve instruction by: (1) reviewing the quality of all staff and retaining only those who are determined to be effective and have the ability to be successful in the turnaround effort; (2) preventing ineffective teachers from transferring to these schools; and (3) providing job-embedded, ongoing professional development informed by the teacher evaluation and support systems and tied to teacher and student needs;
 - redesigning the school day, week, or year to include additional time for student learning and teacher collaboration;
 - strengthening the school's instructional program based on student needs and ensuring that the instructional program is research-based, rigorous, and aligned with State academic content standards;
 - using data to inform instruction and for continuous improvement, including by providing time for collaboration on the use of data;
 - establishing a school environment that improves school safety and discipline and addressing other non-academic factors that impact student achievement, such as students' social, emotional, and health needs; and
 - providing ongoing mechanisms for family and community engagement.

15. What funds are available for Priority schools?

An LEA that is implementing one of the four SIG models in a Priority school previously identified as a SIG school will continue to use funds from the SIG program authorized by ESEA section 1003(g) consistent with the LEA's approved SIG application. An LEA implementing interventions aligned with the turnaround principles in other Priority schools may use school improvement funding reserved by the SEA for subgrants to LEAs under ESEA section 1003(a).

16. May Title I, Part A funds be used in a Title I-eligible high school that has had a graduation rate less than 60 percent over a number of years?

Yes, under certain conditions. Consistent with the definition of "priority school," an SEA may identify a Title I-eligible high school as a Priority school if it has had a graduation rate less than 60 percent over a number of years. If the LEA uses Title I, Part A funds to serve the school, the school would become a Title I-participating school.

17. With approved waivers, would this flexibility allow the LEA to "skip" other high schools (with higher poverty percentages) above the Priority high school in rank order? If so, may the LEA do so without reference to comparable services/funds in the "skipped" high schools?

Yes. The LEA could serve the high school without demonstrating comparable services in other schools "skipped" in the ranking in order to serve the Priority high school.

18. How long will schools remain on the Priority, Focus, and Reward schools lists?

Schools will exit Priority or Focus status when, three years from initial identification (i.e., 2012-13), a new list of Priority schools is developed and the applied methodology no longer results in the school's designation as a Priority or Focus school. Maintaining Priority or Focus status for the full three-year period will ensure 1) sufficient time for the LEA to fully implement interventions aligned to turnaround principles; 2) sufficient SEA support for sustaining efforts of SIG models when SIG funds are no longer available; and 3) sufficient time for the State to monitor and support the implementation of interventions to increase the likelihood that interventions result in sustained student achievement for all student subgroups.

The Reward school list will be updated each year.

19. If a school remains in Priority or Focus status for 3 years, and Reward status for 1 year, could a school possibly be in 2 categories at the same time?

Yes. Schools initially identified as Priority or Focus could make substantial progress during the course of the three-year period and could be identified as a Reward school in a subsequent year.

HIGHLY QUALIFIED TEACHERS**20. Must staff in Title I programs still meet the definitions of highly-qualified?**

Yes. All provisions of section 1119 regarding qualifications of teachers and paraprofessionals must still be met. However, an LEA that misses HQT targets for two years would no longer be required to develop an improvement plan under ESEA section 2141(a) or enter into an agreement with its SEA under ESEA section 2141(c).

PARENT INVOLVEMENT**21. With approved waivers, must LEAs continue to reserve district funds for parental involvement activities outlined in section 1118?**

Yes. An LEA that receives a Title I, Part A allocation of greater than \$500,000 must reserve not less than one percent of its Title I, Part A allocation to carry out the provisions of section 1118, including promoting family literacy and parenting skills. The percentage reserved for parental involvement must be calculated on the basis of the LEA's total Title I, Part A allocation. *[Section 1118(a)(3)(A), ESEA.]*

22. What is the role of parents and the broader community in implementing ESEA flexibility?

If the SEA's request for flexibility is granted, an LEA with one or more priority schools must seek input from families and the community in selecting the meaningful interventions aligned with the turnaround principles that will be implemented in these schools. Additionally, an LEA's interventions in priority schools must include ongoing mechanisms for family and community engagement (see C-37 ESEA Flexibility Frequently Asked Questions at <http://www.ed.gov/esea/flexibility>).

Under ESEA flexibility, parents will continue to receive information on their children's progress in meeting State academic achievement standards as well as their school's success in helping all students meet those standards. Parents will know whether their children's schools are succeeding, by being identified as reward schools, or falling short, by being identified as priority or focus schools. When schools fall short, parents can be assured that school leaders will adopt strategies focused on school needs and targeted towards the students most at risk.

Under general provisions of ESEA (SEC. 9101(23)), parental involvement means *the participation of parents in regular, two-way, and meaningful communication involving student academic learning and other school activities, including ensuring:*

- *That parents play an integral role in assisting their child's learning;*
- *That parents are encourage to be actively involved in their child's education at school;*
and
- *That parents are full partners in their child's education and are included, as appropriate, in decision making and on advisory committees to assist in the education of their child.*

23. If the LEA has schools identified as Reward, Focus, and Priority, must parents be notified of the status?

Under this flexibility, an SEA and its LEAs must include the identification of schools under the SEA's new differentiated recognition, accountability, and support system, including reward schools, priority schools, and focus schools, in their annual report cards. An SEA and Title I LEAs must still meet all of the other statutory State and LEA report card requirements.

Although an SEA and its LEAs will no longer have to report on LEAs and schools that have been identified for improvement, corrective action, or restructuring since no such LEAs or schools will be identified, Title I, Part A continues to provide for substantive parental involvement at every level of the program. Because regular communication is the foundation of effective parental involvement, SEAs, LEAs, and schools must continue to provide information about district, school, and student progress to parents.

24. Are the requirements waived for an LEA to provide for the equitable participation of private school students and teachers?

No. All statutory or regulatory requirements related to the equitable participation of private school students, teachers, and families will still be in effect. For example, LEAs must consult with private school officials during the design and development of the LEA's Title I, Part A programs. That consultation must include meetings of LEA and private school officials and must occur before the LEA makes any decision that affects the opportunity of eligible private school children to participate in Title I, Part A programs, including decisions regarding the use of funds freed up under ESEA section 1116.

25. Are the Title I, Part A funds that an LEA would otherwise spend for choice-related transportation and supplemental educational services (SES) or for professional development in LEAs identified for improvement subject to the requirements to provide equitable services to eligible private school children, their teachers, and their families?

Yes, to the same extent and under the same conditions as regular Title I, Part A funds, LEA's must provide equitable services to eligible elementary and secondary private school children, their teachers, and their families. Equitable services apply to the following funds:

- Funds an LEA allocates to its Title I schools; and
- To off-the-top reservations that provide district-wide services to Title I schools including parent involvement, professional development, and district-wide instructional initiatives.

Equitable services do not apply to the funds reserved for services to a subgroup of students—e.g., homeless students, neglected and delinquent students. Accordingly, with respect to Title I, Part A funds freed up from not needing to meet the 20 percent obligation or the set aside for professional development under ESEA flexibility, the responsibility to provide equitable services depends on how an LEA uses those funds. For example, if the LEA allocates the funds under ESEA section 1113(c) to its Title I schools, it must also provide equitable services with the funds. Similarly, if the LEA uses the freed up funds for an off-the-top reservation to provide summer school or professional development to all its Title I schools, or all its Title I schools at a particular grade level, the requirement to provide equitable services would apply. On the other hand, if the LEA uses funds from an off-the-top reservation to implement interventions in its priority and/or focus schools, the equitable services requirement would not apply.

Remember, Title I, Part A funds may be used only in Title I-participating schools. If the LEA uses Title I, Part A funds to provide interventions in a school, the school would become a Title I-participating school (see FAQ # 16).

Appendix A Flexibility Waivers to Provisions of NCLB

Waiver	What It Removes	What It Allows
1. 1111(b)(2)(E-H)	Removes required procedures for setting AMOs to use in determining AYP	<ul style="list-style-type: none"> • Allows SEA to develop new AMOs for determining AYP reading/math
2. 1116(b)	Removes current status of schools and requirements for sanctions	<ul style="list-style-type: none"> • Reduces administrative burden for administrative and reporting requirements • Allows LEA to use up to 20% of Title I funds for customized interventions in Focus schools
3. 1116(c)	Removes all LEA Improvement/Corrective Action status and requirements for sanctions	<ul style="list-style-type: none"> • Reduces administrative burden for administrative and reporting requirements • Allows LEA to use up to 10% of Title I funds for any authorized purpose
4. 6213(B)/6224(E)	Removes restrictions on use of REAP funds related to LEA/school improvement status	<ul style="list-style-type: none"> • Allows LEAs to use REAP funds for any authorized purpose regardless of LEA's AYP status
5. 1114(a)(1)	Removes requirement of 40% poverty to operate a schoolwide program	<ul style="list-style-type: none"> • Allows any school implementing interventions in Priority or Focus schools to operate as schoolwide
6. 1003(a)	Removes restriction that funds are used only for schools in improvement status	<ul style="list-style-type: none"> • Allows use of funds for any Focus or Priority school
7. 1117(c)(2)(A)	Removes restriction that funds may only be provided for schools in the highest quartile of poverty	<ul style="list-style-type: none"> • Allows use of funds for any Reward school
8. 2141(a-c)	Removes restrictions on use of Title I and Title II funds related to HQT	<ul style="list-style-type: none"> • Allows LEAs to use Title I and Title II funds for any authorized purpose regardless of LEA's AYP status
9. 6123	Removes limitation on percent transfer of other funds into Title I	<ul style="list-style-type: none"> • Reduces administrative burden as it relates to notifying USED and/or SEA • Allows SEA or LEA to transfer up to 100% of funds under certain programs into Title I, Part A
10. 1003(g)	Removes restriction that funds are used only for SIG schools	<ul style="list-style-type: none"> • Allows use of SIG funds for any Priority school (NOTE: all 1003(g) committed to current SIG sub-grants)
11. 4201(b)(1)(A) and 4204(b)(2)(A)	Removes restriction that funds are only be used for programs outside of the school day	<ul style="list-style-type: none"> • Allows 21st CCLC funds to be used for expanded learning w/in school day
12. 1116(a)(1)(A)-(B) and 1116(c)(1)(A)	Removes requirement that LEAs and SEAs must make determinations of adequate yearly progress (AYP) for schools and LEAs, respectively.	<ul style="list-style-type: none"> • Allows SEA and LEAs to report performance against the AMOs for all subgroups
13. 1113(a)(3)-(4) and (c)(1)	Removes requirement that all Title I schools are served and funded in rank order of poverty	<ul style="list-style-type: none"> • Allows LEAs to serve some Priority high schools (i.e., graduation rate below 60%) regardless of rank order

**Appendix B
Implementation of Waivers by SEAs and LEAs**

REQUIREMENT TO BE WAIVED	SEA IMPLEMENTATION	LEA IMPLEMENTATION
State reservation of Title I, Part A funds for school improvement activities	SEA considers whether to distribute section 1003(a) reservation for use in priority and focus schools even if they are not in improvement, corrective action, or restructuring	None
State reservation of Title I, Part A funds for reward schools	SEA considers whether to distribute section 1117(c) reservation for use in reward schools	None
Timeline for 100 percent proficiency	SEA sets ambitious but achievable AMOs	AYP determinations based on new AMOs
Identification of schools for improvement, corrective action, or restructuring	None	LEA need not identify schools for improvement, corrective action, or restructuring
Identification of LEAs for improvement or corrective action	SEA need not identify LEAs for improvement or corrective action	LEA no longer subject to improvement or corrective actions
Requirements for SEA and LEAs to include on their respective report cards information regarding LEAs and schools in improvement status	SEA need not include on its report card information on LEAs that are in improvement status	LEA need not include on its report card information on schools within the LEA that are in improvement status
Requirements for schools and LEAs in improvement status to take certain specified actions (e.g., offer public school choice and SES)	SEA need not carry out its responsibilities for LEAs and schools within those LEAs (e.g., approve and monitor SES providers)	LEA no longer subject to the school improvement requirements of section 1116(b), including public school choice and SES, or the LEA improvement requirements of section 1116(c)
Poverty threshold for operation of a schoolwide program	None	LEA may operate a schoolwide program in a priority or focus school even if the school does not meet the poverty threshold in order to allow the LEA to implement interventions aligned with the turnaround principles or an intervention that is based on the needs of the students in the school and designed to enhance the entire educational program of the school, as appropriate

REQUIREMENT TO BE WAIVED	SEA IMPLEMENTATION	LEA IMPLEMENTATION
Requirement that LEAs not making progress toward meeting HQT requirements develop an improvement plan and SEA provides technical assistance	SEA would no longer need to provide technical assistance to LEAs developing improvement plans to meet HQT requirements	LEA that is not making progress toward meeting HQT requirements would no longer have to develop an improvement plan
Requirement for SEA to enter into or enforce agreements with LEAs regarding HQT requirements	SEA would not enter into or enforce existing agreements with LEAs	<p>LEA would not have to enter into agreement with the SEA, even if it has not met the applicable HQT requirements and has not met AYP for 3 consecutive years</p> <p>LEA that has already entered into agreement with SEA no longer needs to implement terms of agreement</p>
Limits on transferability of funds	SEA would be permitted to exceed relevant transferability limits; SEA would not be required to report to Department prior to transferring funds	LEA would be permitted to exceed relevant transferability limits; LEA would not be required to report to the SEA prior to transferring funds