LEA CATEGORIZATION AND ACCOUNTABILITY

LEAs. Every state must set up a system that differentiates LEAs into the three categories described based on the following parameters, and develop recognition and intervention plans accordingly consistent with the parameters below. States shall make such determinations no less frequently than once every 3 years.

1) Reward LEAs:
   a) The LEAs in the state that are showing the most improvement and/or closing gaps in – combined
      i) percent of students on track to college and career readiness in English/language arts and math (and at state option, other subjects); and
      ii) percent of students making their own individual student growth targets; and
      iii) graduation rates in high school. 3 year rolling average allowable.
   b) LEAs that have successfully moved Challenge Schools up out of the Challenge categories.
   c) These LEAs shall receive:
      i) Recognition/rewards from state, from the state.
      ii) Flexibility: May consolidate and use federal administrative and program funds flexibly (without applying to do so).

2) Challenge LEAs
   a) Lowest-performing LEAs in the state, based on combined percent of students on track to college and career readiness and percent making their own individual student growth targets in English/language arts and math (and at state option, other subjects); and then removing those that are showing significant improvement. For high school, also including graduation rates.
   b) LEAs with a significant proportion of Challenge Schools that do not rise above such categories.
   c) All states must identify enough LEAs as Challenge LEAs to reach at least 5% of students in the state.
   d) In these LEAs, the SEA:
      i) Shall take significant action (e.g. governance or personnel changes) in the LEA.
      ii) Shall approve school improvement strategies for Challenge Schools and assist as needed.
      iii) May compete out STG funds and LEA set-asides directly to outside entities.
      iv) LEA may not use administrative funds flexibly without approval of SEA.

3) All other LEAs:
   a) Shall implement STG intervention options described in persistently low-performing schools.
   b) Receive flexibility: May work with schools to determine how to intervene in other schools.