ESEA Finance Implementation
New Superintendent Meeting

November 2019

Pat Kaiser
ESEA/ESSA Finance
ESEA Overview

- Title I Improving the Academic Achievement of the Disadvantaged
  - Part A Improving Basic Programs Operated by Local Educational Agencies
  - Part C Education of Migratory Children
  - Part D Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent or At-Risk
- Title II Preparing, Training and Recruiting High-Quality Teachers and Principals, and Other School Leaders
- Title III Language Instruction for English Learners and Immigrant Students
- Title IV.A Student Support and Academic Enrichment Grants
- Title V Rural Education Initiative, Flexibility and Accountability
ESEA Programs

- These grants are considered entitlement, and LEAs receive allocations based on census poverty data, formula calculations, and enrollments.
- LEAs are required to complete and submit an application annually.
- LEAs must submit the application by July 1 to ensure continuity of services. The submission gives a substantial approval.
Title I, Part A - Improving the Academic Achievement of the Disadvantaged

The purpose of this program is to provide all children significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps.
Title I Supplement Not Supplant

- The U.S. Department of Education:
  - Released draft informational document for public comment on January 25, 2019
  - Released the final version on June 19, 2019

Title I Supplement Not Supplant (SNS)

The ESEA requires an LEA to use Title I funds only to **supplement** the funds that would, in the absence of those Title I funds, be made available from state and local sources for the education of students participating in Title I programs, and not to supplant such funds.
The ESEA requires an LEA to demonstrate that the methodology the LEA uses to allocate state and local funds to its schools ensures that each Title I school receives all of the state and local funds it would otherwise receive if it were not receiving Title I funds.
Title I Supplement Not Supplant

The ESSA represents a substantial change in determining whether Title I funds are supplemental:

• Focus is on *allocation* of state and local funds rather than on an activity funded by Title I; and

• Differs from supplement not supplant requirements of other ESEA programs in which the focus remains on whether an activity supported with Federal funds is supplemental.
Allowable Activities vs. Supplement Not Supplant

- The ESSA requires an LEA to use Title I.A funds only for allowable costs; so an LEA’s use of Title I.A funds might not violate the SNS requirement, but it might not be an allowable use of those funds.
- All costs must be necessary, reasonable and allocable.
- The type of Title I program determines whether a cost is allowable.
Allowable Uses of Funds

- In a **schoolwide program**, Title I funds may be used to upgrade the entire educational program in the school and benefit all students, provided the cost is consistent with the school’s comprehensive needs assessment and included in the school’s comprehensive schoolwide plan.

- In a **targeted assistance program**, ESEA requires Title I.A funds to be used only to serve students who are failing, or most at risk of failing, to meet the state’s challenging academic standards.
Allowable Uses of Funds

• To be allowable, a cost must comply with the Cost Principles of the Uniform Grant Guidance and the terms and conditions of the Federal award.

• Costs must be “necessary and reasonable” for proper and efficient administration of the Title I program under 2 C.F.R. 200.403. Although an LEA need not identify that particular costs supported with I.A funds are supplemental, it still must use its funds only for allowable costs for the program.

• Will the activity improve student outcomes?
Title I.A – Allowable Use of Funds

Examples Based on Needs Assessment

• Increase learning time
  • Before- and after-school programs, Saturday school, summer school, extended school year, extended learning opportunities during the day
• Preschool
• Evidence-based strategies to accelerate content knowledge for English Learners
• School climate interventions
Title I.A - Allowable Use of Funds

- Professional Development and Instructional Coaches
- Activities to increase access and prepare students for high-quality advanced coursework
- Career and Technical Programs
- Counseling and school-based mental health programs
- Equipment, Materials, and training needed to analyze student data
- Family and Community Engagement
- Digital Learning Material
Supplant – Other ESEA Programs

In general, funds should add to (supplement) and not replace (supplant) state and local funds.

- LEA uses ESSA funds to pay for an activity that is required by federal, state or local law; or
- LEA uses ESSA funds to pay for an activity it supported with state or local funds the prior year.
Title II, Part A – Preparing, Training and Recruiting High Quality Teachers, Principals or Other School Leaders

• Purpose to provide grants to LEAs to increase student achievement consistent with the Missouri Learning Standards (MLS)
• Improve quality and effectiveness of teachers, principals, other school leaders
• Provide economically deprived and minority students greater access to effective teachers, principals, and other school leaders
These funds can be used to develop, implement and evaluate comprehensive programs and activities that address the learning needs of all students, including children with disabilities, ELs, and gifted and talented students.
Title II.A – Allowable Use of Funds

- Professional Development
- Salaries and stipends for Title II.A instructional staff.
- Parent workshops (monitoring student performance, skills training, child advocacy, etc.)
Title IV.A – Student Support and Academic Enrichment Grants

The purpose of this program is to improve students’ academic achievement by increasing the capacity of states, LEAs, schools and local communities to:

- provide all students with access to a well-rounded education.
- improve school conditions for student learning.
- improve the use of technology in order to improve the academic achievement and digital literacy of all students.
Title IV.A - Requirements

• LEAs that receive less than $30,000 may focus on any or all three program areas

• An LEA that receives at least $30,000 must use
  - at least 20% for well-rounded educational opportunities;
  - at least 20% for activities to support safe and healthy students; and
  - a portion of funds for effective use of technology
<table>
<thead>
<tr>
<th>Well-Rounded Educational Opportunities (ESEA section 4107)</th>
<th>Safe and Healthy Students (ESEA section 4108)</th>
<th>Effective Use of Technology (ESEA section 4109)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improving access to foreign language instruction, arts, and music education</td>
<td>• Promoting community and parent involvement in schools</td>
<td>• Supporting high-quality professional development for educators, school leaders, and administrators to personalize learning and improve academic achievement</td>
</tr>
<tr>
<td>• Supporting college and career counseling, including providing information on opportunities for financial aid through the early FAFSA</td>
<td>• Providing school-based mental health services and counseling</td>
<td>• Building technological capacity and infrastructure</td>
</tr>
<tr>
<td>• Providing programming to improve instruction and student engagement in science, technology, engineering and mathematics (STEM), including computer science, and increasing access to these subjects for underrepresented groups</td>
<td>• Promoting supportive school climates to reduce the use of exclusionary discipline and promoting supportive school discipline</td>
<td>• Carrying out innovative blended learning projects</td>
</tr>
<tr>
<td>• Promoting access to accelerated learning opportunities including Advanced Placement (AP) and International Baccalaureate (IB) programs, dual or concurrent enrollment programs and early college high schools</td>
<td>• Establishing or improving dropout prevention</td>
<td>• Providing students in rural, remote, and underserved areas with the resources to benefit from high-quality digital learning opportunities</td>
</tr>
<tr>
<td>• Strengthening instruction in American history, civics, economics, geography, government education, and environmental education</td>
<td>• Supporting re-entry programs and transition services for justice-involved youth</td>
<td>• Delivering specialized or rigorous academic courses and curricula using technology, including digital learning technologies and assistive technology</td>
</tr>
</tbody>
</table>

Note: This table provides examples of allowable activities and is not an exhaustive list. Please consult the statute for more information.
Title V.B – Rural Education Initiative

The purpose of this program is to address the unique needs of rural school districts that frequently

- Lack the personnel and resources needed to compete effectively for federal competitive grants; and

- Receive formula grant allocations in amounts too small to be effective in meeting their intended purposes.
Title V.B, Subpart 1 – SRSA Program

LEAs receive funds directly from the U.S. Office (G5 drawdown)

- Eligibility:
  - ADA is fewer than 600; or serve only schools in counties with population density of fewer than 10 persons per square mile, and
  - Locale code of 41, 42 or 43, or located in area defined as rural by a state agency

- Allowable uses under programs: Title I.A, Title II.A, Title III, and Title IV
Title V.B, Subpart 2 - RLIS Program

LEAs receive funds through the ESEA Consolidated application in ePeGS.

Eligibility

- 20% or more children ages 5-17 are from families with incomes below poverty line, and
- Locale code of 32, 33, 41, 42 or 43, or located in area defined as rural by state agency
- Allowable uses under programs: Title I.A, Title II.A, Title III, and Title IV
Title V of ESSA authorizes LEAs the flexibility to target funds to programs that most effectively address the needs of the school.

- **Transferability** – **allows any LEA** to transfer Title II.A and Title IV.A funds to another eligible ESSA program to better address local needs.

- **REAP-Flex (Alternative Fund Use Authority)** – **allows SRSA-eligible LEAs** to use their Title II.A and IV.A funds to pay for activities under Title I.A, II.A, III, IV.A and IV.B.
Transferability

• Funds transferred are subject to rules and requirements of the programs to which the funds are transferred, including set-aside provisions.

• The LEA must notify DESE of its intent to “transfer” funds. This is carried out on the Funds Available page in the budget application.
Transferability Chart

Transferability allows Title II.A and/or Title IV.A funds to be transferred to Title I.A

<table>
<thead>
<tr>
<th>Allocations</th>
<th>TI.A</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Original Allocation</td>
<td>$20,458.00</td>
</tr>
<tr>
<td>2 Allocation Adjustments</td>
<td>40.00</td>
</tr>
<tr>
<td>3 Carryover</td>
<td>$336.00</td>
</tr>
<tr>
<td>4 Carryover Adjustments</td>
<td>0.00</td>
</tr>
<tr>
<td>5 Allocation Sub Total</td>
<td>$20,844.00</td>
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<tr>
<td>(Line 1 + Line 2 + Line 3 + Line 4)</td>
<td></td>
</tr>
</tbody>
</table>

- District chooses to employ its REAP-Flex eligibility.

<table>
<thead>
<tr>
<th>ESEA Consolidated Transfers</th>
<th>TI.A</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 Transferability Percentage</td>
<td></td>
</tr>
<tr>
<td>7 Current Year Transferability Cap</td>
<td></td>
</tr>
<tr>
<td>(Line 1 + Line 2) × Line 6</td>
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<tr>
<td>8 Previous Year Transferability Remaining</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Available For Transfer</th>
<th>TI.A</th>
<th>TII.A</th>
<th>Title IV.A</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>(100% of Line 5)</td>
<td>$3397.00</td>
<td>$3397.00</td>
<td>$10,000.00</td>
<td>$34,241.00</td>
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<tr>
<td>9 Title II.A Transfer (+)</td>
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<td></td>
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<tr>
<td>10 Title IV.A Transfer (+)</td>
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<tr>
<td>11 Net Transferred</td>
<td>$13,937.00</td>
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<tr>
<td>12 Available After Transfers</td>
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<td></td>
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<tr>
<td>(Line 5 + Line 12)</td>
<td>$34,241.00</td>
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</tr>
</tbody>
</table>

- Total budget minus transfer in equals parent program contribution

**Funding Application:** Title I - Transferability Payment Report

**Version:** Request 1

**Status:** Created
REAP-Flex

REAP-Flex functions codes are added to the budget grid AND payments remain with the program

<table>
<thead>
<tr>
<th>Accounting Manual</th>
<th>6100 Certificated Salaries</th>
<th>6150 Noncertificated Salaries</th>
<th>6200 Employee Benefits</th>
<th>6300 Purchased Services</th>
<th>6400 Materials &amp; Supplies</th>
<th>6500 Capital Outlay</th>
<th>6600 Other</th>
<th>Total</th>
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<tbody>
<tr>
<td>1100 Regular Instruction</td>
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<td>2200 Professional Development</td>
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<td>2600 Planning and Evaluation</td>
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<td>3711 Non-fee Services</td>
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<td>TLA - 1200 Supplemental Instruction</td>
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Funds Available: $332,867.75

Administration Costs Rate: 100.00 %

Restricted Indirect Costs Rate: 0.19 %
Unallowable Use of ESEA Funds

- Alcoholic beverages
- Entertainment, including amusement, diversion, and social activities
- Recreational field trips
- Classroom parties
- Goods or services for personal use
- Promotional items and memorabilia, including models, gifts and souvenirs
- Materials and supplies deemed unnecessary for ESEA program
Resources

General Federal Guidance Manual
https://dese.mo.gov/financial-admin-services/general-federal-guidance

ESEA Administrative Manual

ESEA Fiscal Monitoring resources
https://dese.mo.gov/financial-admin-services/esea-finance/fiscal-monitoring

ESEA Finance web page
https://dese.mo.gov/financial-admin-services/esea-finance
Other Resources

ESEA Finance Webpage
https://dese.mo.gov/financial-admin-services/esea-finance
Pat Kaiser, 573-751-8643
Kim Oligschlaeger, 573-751-2641
ESEA/ESSA Finance
https://dese.mo.gov/financial-admin-services/eesa-finance