Carryover Requirements Title I, Part A & Sec. 1003(g) School Improvement Grants (SIG)

WEBINAR

February 17, 2011

Student Achievement and School Accountability Programs

Office of Elementary and Secondary Education

Webinar Guidelines and Procedures

- All attendee phones muted
- Questions can be asked through the online chat function
- Questions asked during this webinar will be answered through an FAQ document and placed on SASA’s webinar website

Purposes of Today's Webinar

- Share information about SASA's 2011 Title I Webinar Series
- Provide guidance on carryover requirements as they apply to Title I, Part A and the School Improvement Grants program
- Presenters: Sandy Brown and Todd Stephenson

Agenda

Topics to be addressed:

- Availability of funds for obligation under General Education Provisions Act (GEPA)
- Carryover requirements as they apply to Title I, Part A and School Improvement Grants
- Use of funds carryover funds
- Waivers related to carryover of Title I, Part A and SIG funds

TITLE I, PART A CARRYOVER REQUIREMENTS

Section 1127 of the *Elementary and Secondary Education Act of 1965 (ESEA)*

Availability Of Title I, Part A Funds

- Approximately $25 billion appropriated in fiscal year (FY) 2009
  - $15 billion from the regular FY 2009 appropriation
  - $10 billion from the American Recovery and Reinvestment Act of 2009 (ARRA)
  - Funds from both sources remain available for obligation through September 30, 2011
- Approximately $15 billion appropriated in FY 2010
  - Funds remain available for obligation through September 30, 2012

Availability of Funds for Obligation: GEPA Section 421(b)

A State educational agency (SEA) or local educational agency (LEA) that does not obligate all of the Title I, Part A funds allocated to it for a given fiscal year may carry over the unobligated funds and obligate them during the succeeding fiscal year.

- Title I funds are available for a maximum of 27 months (15 + 12).
- The rules in effect when the funds are obligated apply.

Title I, Part A Carryover Requirements

An LEA may carry over no more than 15 percent of its Title I, Part A allocation.

- Requirement applies only to Title I, Part A funds allocated under Subpart 2 of Part A.
- Requirement does not apply to an LEA that receives less than $50,000.

Carryover Requirements

- Base for calculating 15 percent is allocation received under Subpart 2 of Part A.
- Base does not include carryover funds, reallocated funds, section 1003 (a) or (g) funds, or funds received under the State Academic Achievement Awards program (ESEA section1117(c)).
- Funds transferred into Title I <u>are</u> included in base.

Carryover Requirements

- Carryover funds do not affect the base on which reservations are calculated—*e.g.*, 1 percent for parent involvement.
- Funds are available for obligation through September 30, even if the state's fiscal year ends earlier.
- SEA may reallocate funds that exceed the carryover limit to other LEAs.

Carryover Waivers

- SEA may waive carryover limitation once every 3 years if reasonable and necessary or there is a supplemental appropriation.

- In July 2009, ED invited requests for waivers of the “once in three years” limitation.

Carryover Waivers

- These waivers allowed SEAs to waive the 15 percent limitation more than once every three years if the additional waiver was needed because of ARRA (FY 2009) funds.
- These ARRA-related waivers of the “once in three years” limitation applied to:
  - FY 2009 (SY 2009 -10) funds; and
  - FY 2010 (SY 2010-11) funds.

Carryover Waivers

Federal FY	SY Funds Affected by Waiver	"Once in 3 years" Waiver Granted to SEA?	May SEA grant LEA a carryover waiver?
2009	2009-10	Yes	Yes*
2010	2010-11		Yes*
2011	2011-12		No
2012	2012-13		No
2013	2013-14		Yes
* Assumes LEA needs 2^{nd} or 3^{rd} carryover waiver because of influx of ARRA funds.			

Use Of Carryover Funds

An LEA has considerable discretion in using carryover funds:

- Add to LEA's within district allocations.
- Allocate to schools with the highest poverty.
- Provide additional funds for specific activities—*e.g.,* school improvement.
- Add to reservations.

Carryover Questions

Q. What if an LEA does not spend all of the funds it was required to reserve for a specific purpose in a given year (*e.g.*, parent involvement)?

A. The LEA must carry over the unspent funds and spend them for the specific purpose in the following year—***in addition to*** the reservation for the following year.

Carryover Questions

Q. Are unspent funds from required reservations included in the carryover limitation?

A. Yes.

Carryover Questions

Q. How does the carryover provision apply to equitable services for private school students?

A. It depends: If an LEA has provided equitable services for private school students in the current year, any carryover funds would be additional funds for the LEA’s Title I program in general the following year.

Carryover Questions

Q. How does the carryover provision apply to equitable services for private school students (continued)?

A. If the LEA does not provide sufficient equitable services in a given year, it must carry over the unobligated funds and spend them to provide equitable services in the following year—in addition to the services private school students are entitled to in the following year.

School Improvement Grants (SIG)
(ESEA Section 1003(g))
Period of Availability and
Carryover Requirements

Availability of SIG Funds

- $3.5 billion was available for SIG in FY 2009:
  - $546 million from FY 2009 regular appropriation
  - $3 billion from ARRA
- $546 million is available for SIG under the FY 2010 appropriation

Extension of the Period of Availability of FY 2009 SIG Funds

- ED granted every SEA a waiver to extend FY 2009 SIG funds' period of availability until September 30, 2013.
- Waiver enables LEAs to implement SIG over three school years (2010-2011, 2011-2012, and 2012-2013).

SIG Carryover – Mandatory 25 Percent

- An SEA that did not serve all its Tier I schools during SY 2010-2011 was required to carry over 25 percent of its FY 2009 allocation to award with FY 2010 SIG funds for full implementation beginning in SY 2011-2012.
- Some SEAs received a waiver to carry over less than 25 percent because they needed the funds to serve Tier I and Tier II schools beginning in SY 2010-2011.

Additional SIG Carryover

An SEA was also permitted to carry over more than 25 percent of its FY 2009 SIG funds if it was able to fund, for the full period of availability, all Tier I and Tier II schools that:

- Its LEAs committed to serve beginning in SY 2010-2011; and
- Its LEAs have the capacity to serve.

Extension of the Period of Availability of FY 2009 Carryover SIG Funds

- The FY 2010 SIG application invites SEAs to request a waiver to extend the availability of FY 2009 carryover funds to September 30, 2014.
- Waiver would affect FY 2009 SIG funds an SEA has carried over, as discussed on prior 2 slides.
- Waiver would enable an LEA that starts to fully implement SIG in SY 2011-2012 to do so over three school years.

Carryover of SIG Funds by LEAs

- In general, an LEA that does not obligate all of the SIG funds awarded to it for a given year may carry over those funds and obligate them during the succeeding fiscal year.
- However, the implications of carryover in SIG are different than in Title I, Part A, given that, for LEAs, SIG is competitive, not a formula grant.
- Therefore, an LEA that has FY 2009 SIG funds remaining for carryover because its actual implementation costs were lower than the amount of funds it received should notify its SEA and, if appropriate, amend its SIG budget.

Carryover of SIG Funds by LEAs

- An LEA's implementation costs may be lower than the amount of SIG funds it received for various reasons. For example:
  - Actual costs of each activity were lower than anticipated; or
  - The LEA determined it could not implement the intervention model as originally planned.
- For an LEA in the second situation, the LEA and SEA should refer to the FAQ addendum ED released yesterday (February 16, 2011).

Carryover of SIG Funds by LEAs

For an LEA that has carryover SIG funds because the actual costs of each implementation activity were lower than anticipated, the SEA should:

- Carefully review the LEA's amended budget.
- Allocate to the LEA only the amount of funds necessary for implementation in years 2 and 3, taking into account the carryover funds available.
- Consider reallocating to other LEAs any excess funds that were initially reserved for the LEA, but which the LEA no longer needs because it has carryover.

Links To Guidance Documents

Title I, Part A Fiscal Guidance

http://www.ed.gov/programs/titleiparta/fiscalguid.doc

Title I, Part A ARRA Guidance

http://www.ed.gov/policy/gen/leg/recovery/guidance/title-i.doc

FY 2010 Section1003(g) SIG Guidance and Addendum

http://www2.ed.gov/programs/sif/faq.html

Contact the Presenters

Paul (Sandy) Brown
Paul.Brown@ed.gov

Todd Stephenson
Todd.Stephenson@ed.gov

Questions and Comments