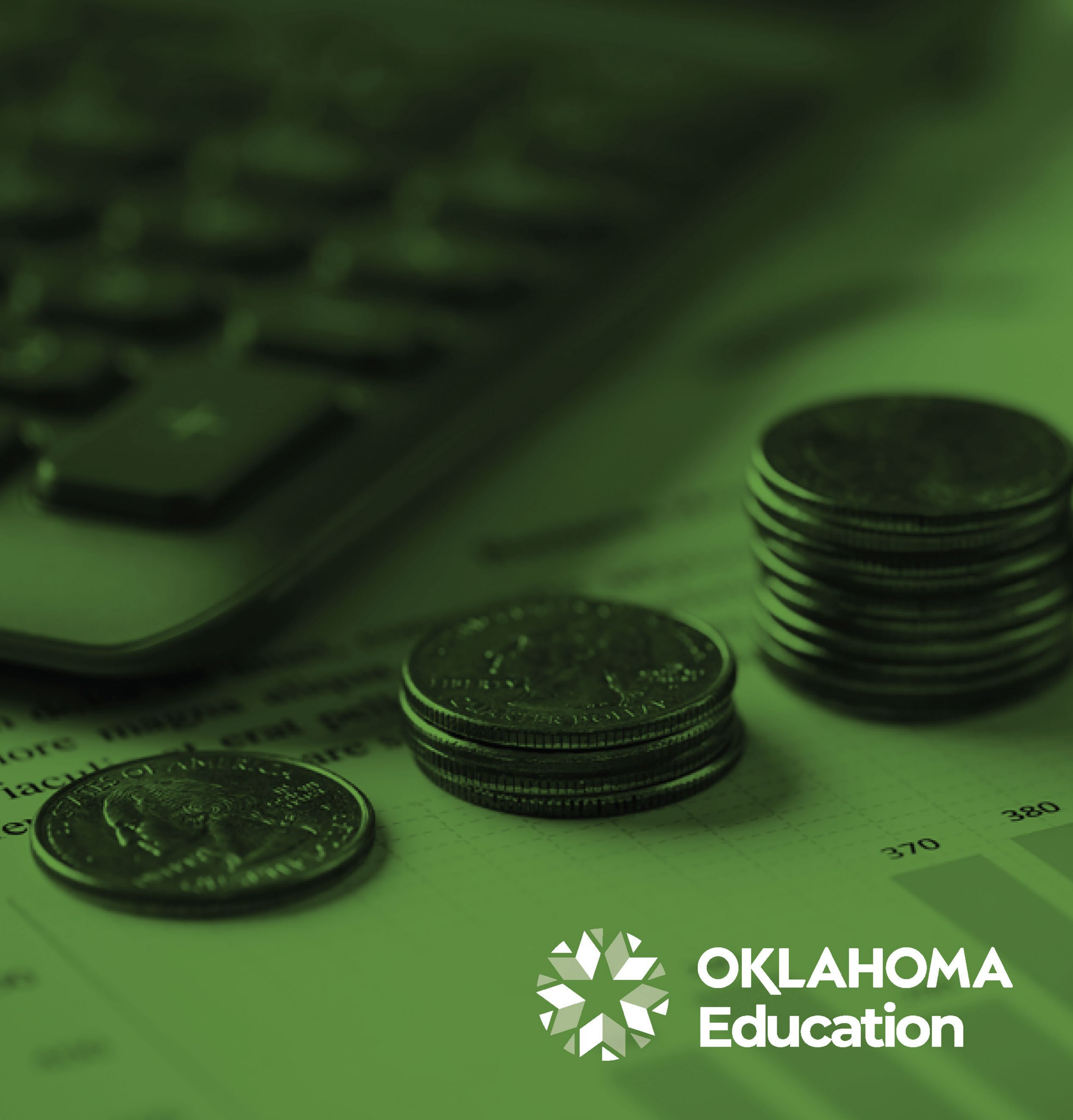
TITLE I, PART A HANDBOOK

SCHOOLWIDE CONSOLIDATION OF FUNDS



OKLAHOMA Education

Table of Contents

Introduction
Chapter 1: Schoolwide Programs
- 1.1 Criteria to Operate a Schoolwide Program
- 1.2 Schoolwide Waiver
- 1.3 Participating Programs in the Consolidation of Funds

Chapter 2: Mechanics of the Consolidation of Funds
- 2.1 Schoolwide Consolidation of Funds within the Consolidated Application in Grants Management System
- 2.2 Intent and Purpose of the Consolidated Programs

Chapter 3: General Fiscal Requirements
- 3.1 Title I Supplement, Not Supplant (SNS)
- 3.2 Title I Comparability Requirement
- 3.3 Maintenance of Effort Requirements
- 3.4 District Level Set-Asides
- 3.5 Carryover
- 3.6 Program Closeout

Chapter 4: Local Uses of Funds
- 4.1 Local Uses of Funds

Chapter 5: FAQs
RESOURCES

Introduction

Consolidating funds in a schoolwide program offers flexibility to a school to combine several federal funds in a single “pool” to meet the specific needs of its students identified through a needs assessment and included in the schoolwide plan. In Oklahoma, this single “pool” of funds is referred to as project 785.

Funds in project 785 must be treated as federal funds, but the school site does not need to track an expenditure back to the specific federal program that contributed the funds. From an accounting perspective, the funds from the contributing federal programs lose their individual program identity when they become part of a consolidated program and are accounted for as part of that pool, project 785, rather than by the individual programs.

When federal funds are consolidated, the school does not need to meet most of the federal programs’ statutory and regulatory requirements of the consolidated federal program as long as it meets, and is able to demonstrate that it meets, the intents and purposes of those programs. ESEA Section 1114(a)(3)(A); 34 C.F.R. §200.29 (a), (b), (d)

Chapter 1: Schoolwide Programs

1.1 Criteria to Operate a Schoolwide Program

If forty percent or more students in a Title I, Part A school are from low-income families, the school may implement a schoolwide program. A schoolwide program is a comprehensive reform strategy designed to upgrade the entire educational program in a Title I school in order to improve the achievement of the lowest-achieving students by coordinating services funded from a variety of sources into a comprehensive framework. ESEA Section 1114(a)(1)(A)

1.2 Schoolwide Waiver

A state may grant a waiver for a school with less than forty percent of students from low-income families to implement a schoolwide program if it will best serve the needs of students in the school who are failing, or at risk of failing, to meet the challenging state academic standards. ESEA Section 1114(a)(1)(B)

Local educational agencies (LEAs) may apply to the Oklahoma State Department of Education (OSDE) for this waiver by completing the “Schoolwide/Targeted Assistance

Intention" page in the Consolidated Application in the Grants Management System (GMS).

1.3 Participating Programs in the Consolidation of Funds

The United States Department of Education Secretary may, through publication of a notice in the Federal Register, exempt schoolwide programs under this section from statutory or regulatory provisions of any other noncompetitive formula grant program administered by U.S. Department of Education Secretary or any discretionary grant program administered by the U.S. Department of Education Secretary to support schoolwide programs, if the intent and purposes of such other programs are met. ESEA Section 1114(a)(3)(A)

The Office of Title Services at the OSDE allows the following noncompetitive formula grant programs - as authorized by the U.S. Department of Education Secretary in the Federal Register, Vol.69, No. 127, July 2, 2004 – to be consolidated in project 785:

- Title I, Part A – Improving Basic Programs Operated by Local Educational Agencies
- Title I, Part D, Subpart 2 – Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or At-Risk
- Title II, Part A – Preparing, Training, and Recruiting High Quality Teachers, Principals, and Other Leaders
- Title III, Part A – Language Instruction for English Learners and Immigrant Students;
- Title IV, Part A – Student Support and Academic Enrichment
- Title V, Part B, Subpart 2 – Rural and Low-Income Schools (RLIS)
- Title IX, Part A – McKinney-Vento Education for Homeless Children and Youths

Discretionary Grant Funds

In general, a schoolwide program school may consolidate funds it receives from discretionary (competitive) grants as well as from formula grants. If a schoolwide program school consolidates funds from discretionary grant programs, the school must still carry out the activities described in the application under which the funds were awarded. However, a schoolwide program school would not need to account separately for specific expenditures of the consolidated federal funds.

Federal Register, Vol.69, No. 127, Pg.40364

Although the following programs were authorized by the U.S. Department of Education Secretary in the Federal Register, Vol. 69, No. 127, July 2, 2004, to be consolidated in schoolwide programs, these programs are operated in other divisions at the OSDE or under Oklahoma Department of Career and Technology Education and are not able be included in project 785:

- Title IV, Part B – 21st Century Community Learning Centers;
- Title VI, Part A – Indian Education;
- Title VII – Impact Aid;
- IDEA, Part B – Assistance for Education of All Children with Disabilities;
- Carl D. Perkins Vocational and Applied Technology Act.

Chapter 2: Mechanics of the Consolidation of Funds

2.1 Schoolwide Consolidation of Funds within the Consolidated Application in Grants Management System

An LEA in Oklahoma that wishes to consolidate federal funds allowed to be consolidated under ESEA Section 1114(a)(3)(A) must complete the Consolidation of Funds section (project 785) within the ESEA Consolidated Budget Application in the Grants Management System (GMS).

After the school site to be served has been determined for the respective school year, the LEA will do the following:

1. Navigate to Title I, Part A section of the ESEA Consolidated Budget Application, Program Detail/Low Income Step 4 and determine the site allocations for the served schools. The allocations can be manually entered, or equally distributed among schools by clicking on the “Equal Distribution” button.
2. Select the “consolidated funds” button for each school site operating a Title I, Part A Schoolwide Program that will contribute its Title I, Part A allocation to the Consolidation of Funds (project 785). The schools are listed in project 785 and funds from other federal programs can be distributed at the site level.
3. Navigate to the “Allocations” page in the ESEA Consolidated Budget Application section and manually type in the amount that will be transferred from each federal program for which the LEA received an allocation, to the Consolidation of

Funds project. Select “Calculate Totals” and “Save” buttons. These amounts will populate the “Site Allocation” page in the Consolidation of Funds section of the application. On this page, the LEA will distribute the contributing program funds to each school site, based on the needs assessment of each site, then save the page.

4. Navigate to the “Intent and Purpose” page and provide a description on how the intent and purpose is met for each program that will be included in the Consolidation of Funds of each school.
5. Navigate to the “Budget” page and describe the proposed expenditures for each school, using the appropriate function-object codes. The total budgeted amount on this page must match the total amount the school site received on the “Site Allocation” page.

2.2 Intent and Purpose of the Consolidated Programs

A school site that chooses to consolidate funds from different federal programs under this section shall not be required to maintain separate fiscal accounting records, by program, that identify the specific activities supported by those particular funds as long as the school site maintains records that demonstrate the consolidated program, considered as a whole, addresses the intent and purposes of each of the federal programs that were consolidated to support the school site’s program. ESEA Section 1114(a)(3)(C)

As mentioned above, the school site must provide a description on how the intent and purpose is met for each program that will contribute to the consolidated program. To support each narrative statement on this page, each school site must maintain records that demonstrate that the school site’s program as a whole addresses the intent and purposes of each of the federal education programs whose funds were consolidated to support it. ESEA Section 1114(a)(3)(C)

Chapter 3: General Fiscal Requirements

3.1 Title I Supplement, Not Supplant (SNS)

Supplement, not supplant (SNS) is a fiscal test that is used to ensure federal funds are used to supplement and not supplant state and local funds. Supplanting is no longer determined based on the individual cost or service paid with Title I, Part A funds. Rather, it is determined by the allocation of state and local resources to schools and whether such resources are allocated without regard to a school’s Title I status.

An LEA demonstrates compliance with the Title I, Part A supplement, not supplant requirement by using a methodology to allocate state and local funds to each Title I school that ensures that each school receives all the state and local funds it would otherwise receive if it were not receiving Title I funds. ESEA Section 1118(b)(2)

No LEA shall be required to:

A. identify that an individual cost or service supported under this part is supplemental; or
B. provide services under this part through a particular instructional method or in a particular instructional setting in order to demonstrate such agency's compliance with paragraph (1). ESEA Section 1118(b)(3)(A)-(B)

LEAs demonstrate compliance with the Title I, Part A supplement, not supplant (SNS) requirement by submitting a written methodology to the Oklahoma State Department of Education (OSDE) that demonstrates how state and local funds are allocated to each school site in the district without taking into consideration a school site's Title I status. There are multiple ways an LEA might distribute non-federal funds among its schools that would satisfy this requirement. Approval of a resource allocation methodology plan will suffice for the SNS test. Non-Regulatory Guidance, Supplement Not Supplant Under Title I, Part A of the Elementary and Secondary Education Act of 1965, June 2019

3.2 Title I Comparability Requirement

The comparability requirement is a fiscal test that is used to determine comparable services are maintained between individual school sites in an LEA. The fiscal test is specific to funds awarded under Title I, Part A. The comparability requirement is applicable to a LEA with school sites participating in the consolidation of funds.

Demonstrating comparability is a prerequisite for receiving Title I, Part A funds. ESEA Section 1118(c)(1)(A)(B) indicates that an LEA may receive Title I, Part A funds only if it uses state and local funds to provide services in Title I schools that, taken as a whole, are at least comparable to the services provided in schools that are not receiving Title I funds.

At the school building level, comparability requires an LEA to ensure that each Title I school receives its fair share of resources from state and local funds. In other words, LEA may not discriminate (either intentionally or unintentionally) against its Title I schools when distributing resources funded from state and local sources simply because these schools receive federal funds.

Because Title I, Part A allocations are made annually, comparability is an annual requirement.

The comparability requirement does not apply to an LEA that has only one building for each grade span. For example, an LEA that has one elementary, one middle school or one high school is exempt from demonstrating comparability. LEAs with 100 or fewer students are exempt from comparability determinations.

More details and examples regarding comparability requirements may be found in the OSDE Title I, Part A Handbook.

3.3 Maintenance of Effort Requirements

Maintenance of effort (MOE) is a fiscal test required to ensure a district is not spending less than 90% of their state and local funds from one year to the next. The LEA maintenance of effort calculation will utilize the revenue and expenditure information submitted by each LEA. Funds 100 and 150 will be combined to calculate the state and local effort. This will be accomplished using the current programming methodology utilized for LEAs which do not consolidate funds in project 785.

When a school site consolidates federal funds in project 785, the LEA may attribute expenditures proportionally according to the percentage of federal funds consolidated in the program. The Office of Financial Accounting at the Oklahoma State Department of Education annually calculate each LEAs maintenance of effort. There is a detailed formula in the Oklahoma Cost Accounting System (OCAS) manual. Essentially, the LEA should review all state and local funding sources for each school site and compare it to the amount of federal funds consolidated in project 785. If the consolidated federal programs amount to 10% of all funds allocated to the school site, then 10% of the expenditures in that schoolwide program are treated as federal and excluded from MOE calculations. The remaining 90% is treated as state/local and included in MOE. An LEA may also use other reasonable methods to review MOE. ESEA Section 8521 and 34 C.F.R §299.5

3.4 District Level Set-Asides

An LEA that consolidates all Title I, Part A funds in project 785, must retain any LEA level reservations (AKA set-asides) in the Title I, Part A section of the ESEA Consolidated Budget Application. Additionally, claims for reimbursement of LEA level reservations must be claimed under the Title I, Part A project 511.

Title I reservations will include funds for homeless students, nonpublic school equitable share, parent and family engagement activities, preschool programs, indirect costs, district wide professional development, foster care, or other district level set-asides.

3.5 Carryover

LEAs who consolidate federal funds still have the ability to carry over unexpended funds from one fiscal year to another, according to any established or required limitations.

When OSDE reimburses expenditures submitted for project 785, the funds for these expenditures are exhausted proportionally from each contributing program.

Any unexpended funds in project 785 will revert to the original contributing program. All funds from a federal program with a carryover cap, regardless of whether used in schoolwide or targeted assistance schools, would be included in the base for calculating the cap. For example, an LEA receives $2,000,000 in Title I, Part A funds and allocates $500,000 to a targeted assistance school and $1,500,000 to a schoolwide program school that consolidates its funds. The entire $2,000,000 must be used as the base to determine the fifteen percent cap on carryover because all the funds are part of the Title I, Part A allocation the LEA received.

3.6 Program Closeout

At the end of each fiscal year, any time after July 1, LEAs must perform the closeout in the Grants Management System (GMS) for each of the grant programs from which the LEA received funds. Once an LEA has finished expending funds from project 785, and received reimbursement for the current fiscal year, the LEA will need to close-out the project 785 before closing out the contributing programs. This will allow any unexpended funds in project 785 to carry over to the program from where the funds originated. Originating programs may be closed out in any order after project 785 has been closed out. LEAs must closeout by September 1st.

Chapter 4: Local Uses of Funds

4.1 Local Uses of Funds

ESEA Section 1118(b)(3)(A) reads that no LEA shall be required to identify that an individual cost or service as being supplemental. Therefore, an LEA is no longer required to use the three presumptions to comply with the supplement not supplant requirement (SNS), which were based on an analysis of individual costs. Federal funds consolidated under project 785 may be braided with state and local funds and may be used to upgrade the entire educational program in a school that has consolidated funds.

Although no LEA may be required to demonstrate that individual costs are supplemental, all federal funds consolidated under project 785 must be used only for allowable activities. In a schoolwide program, 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. ESEA Section 1114(a)(1)

To be allowable, a cost also must comply with the Cost Principles in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, [2 C.F.R. §200, Subpart E] (e.g., costs must be "necessary and reasonable" for proper and efficient administration of the Title I, Part A program under [2 C.F.R. §200.403]). Although an LEA need not identify that particular costs supported with Title I, Part A funds are supplemental, it still must use its Title I, Part A funds only for allowable costs.

Chapter 5: FAQs

1. **Question:** Must consolidated funds under project 785 be used only for allowable activities, given that no LEA may be required to demonstrate that individual costs are supplemental?
Answer: Yes. ESEA requires an LEA to use funds in schoolwide schools only for allowable costs, even if the LEA complies with the supplement, not supplant requirement. These funds must align to the uses of funds from the federal grants consolidated. From example, the majority of funds from Elementary and Secondary Education Act (ESEA) cannot be used for non-educational activities such as building maintenance and repairs, landscaping, and custodial services.

2. **Question:** May a school that consolidates funds under project 785 spend federal funds on district level personnel, materials, or services?
Answer: No. Funds in project 785 are allocated at the site level. Therefore, all personnel, services and materials must be at the site level, and not at the district level.

3. **Question:** May consolidated funds under project 785 be used only to serve low-achieving students?
Answer: No. Consolidated federal funds may be used to upgrade the entire educational program in a school operating a Title I, Part A Schoolwide Program, therefore, all students may benefit from the use of these funds. However, the reason to upgrade the entire educational program in a school is to improve the achievement of the lowest-achieving students, so the needs of these students should be the main focus of spending these funds.

Resources

- Every Student Succeeds Act (ESSA)
- Non-Regulatory Guidance, Within-District Allocations Under Title I, Part A of the Elementary and Secondary Education Act of 1965, February 2022
- Non-Regulatory Guidance, Supplement Not Supplant Under Title I, Part A of the Elementary and Secondary Education Act of 1965, June 2019
- Title 2 Code of Federal Regulation (CFR) Part 200
- Federal Register, Vol.69, No. 127, July 2, 2004
- Oklahoma Cost Accounting System Manual