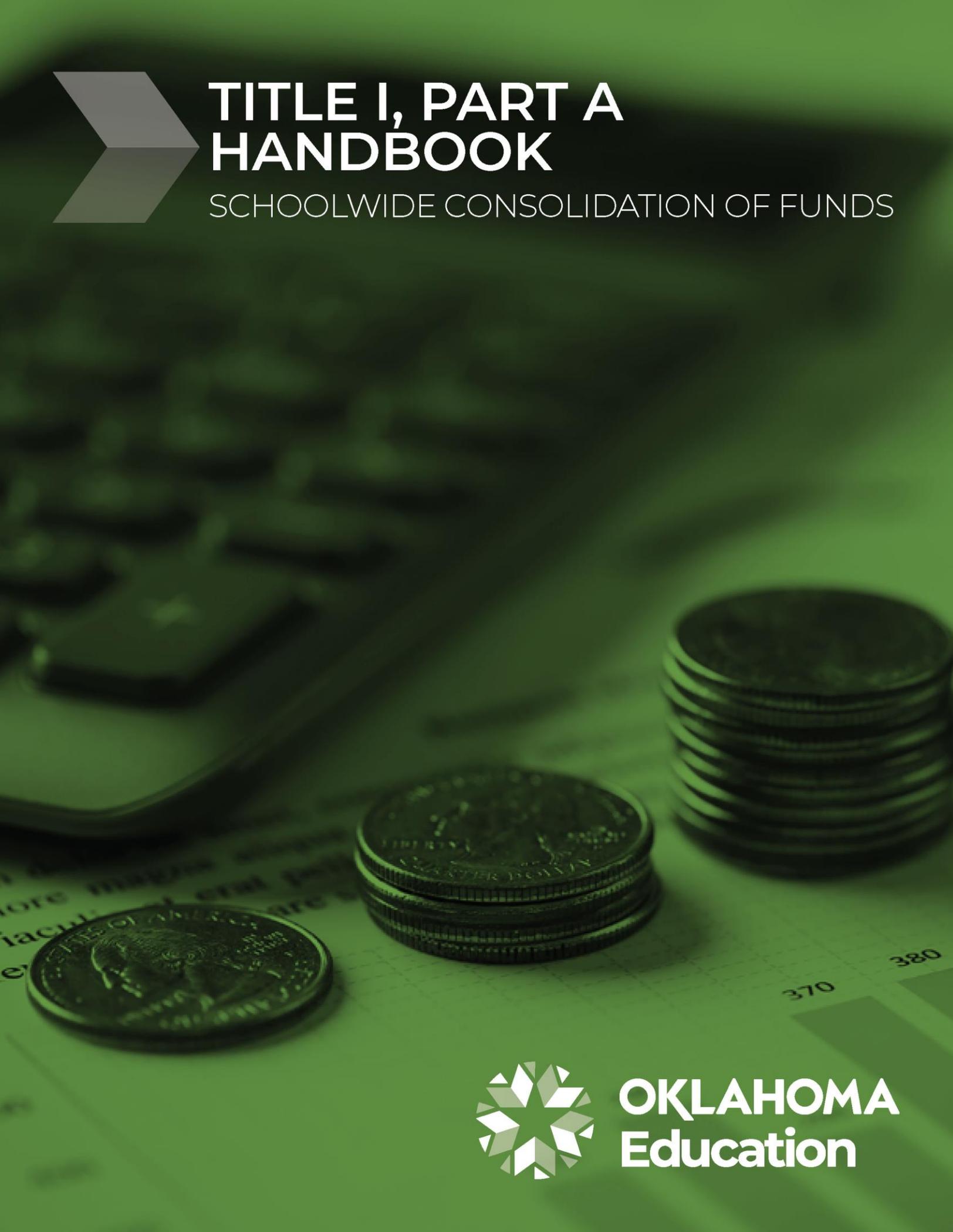




TITLE I, PART A HANDBOOK

SCHOOLWIDE CONSOLIDATION OF FUNDS



OKLAHOMA
Education

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INTRODUCTION

Consolidating Federal, State and local funds in a schoolwide program offers significant flexibility to a school to use all of its funds to meet the specific needs of its students identified through a needs assessment and included in the schoolwide plan.

A school implementing a schoolwide program may consolidate funds from Title I and other Federal education programs with State and local funds to use all of its funds to meet the specific needs of its students identified through a needs assessment and included in the schoolwide plan. *[ESSA, Section 1114(a)(1)(A)]*

A school that consolidates Federal funds in its schoolwide program is not required to meet most of the statutory and regulatory requirements of the specific Federal programs included in the consolidation. However, the school must ensure that it meets the intent and purposes of the Federal programs included in the consolidation so that the needs of the intended beneficiaries are met. *[ESSA, Section 1114(a)(3)(A); 34 CFR 200.29(a), (b), (d)]*

CAPTER 1: Schoolwide Programs

1.1 Criteria to Operate a Schoolwide Program

If 40 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. *[ESSA, Section 1114(a)(1)(A)]*

1.2 Schoolwide Waiver

A State may grant a waiver for a school with fewer than 40 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. *[ESSA, 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 U.S. 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. *[ESSA, Section 1114(a)(3)(A)]*

Therefore, the Office of Federal Programs 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 C – Education of Migratory Children *[with the conditions imposed under 34 CFR, 200.29(c)(1)]*;
- 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; and
- Title V, Part B, Subpart 2 – Rural and Low-Income Schools (RLIS).

Note: Discretionary Grant Funds: In general, a schoolwide program school may consolidate funds it receives from discretionary (competitive) grants as well as from formula grants, except for Reading First, as indicated earlier in this notice. 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]

The Title IX, Part A – McKinney-Vento Education for Homeless Children and Youths competitive program is projected to become available for consolidation in the FY2021 Consolidated Application.

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 either under standalone divisions at the OSDE or under Oklahoma Department of Career and Technology Education and therefore could not 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 the State of Oklahoma that wishes to consolidate federal funds allowed to be consolidated under *ESSA, Section 1114(a)(3)(A)* must complete the Schoolwide Consolidation of Funds application (project 785) within the Consolidated Application in the Grants Management System (GMS).

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

1. Go to Title I, Part A 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. Check the “consolidated funds” button for each *schoolwide* school that will contribute its Title I, Part A allocation to the Schoolwide Consolidation of Funds (project 785). This way, the schoolwide schools are listed in project 785, and funds from other federal programs can be distributed at the site level.
3. Go to the “Allocations” page in the Consolidated 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 Schoolwide Consolidation of Funds project. Push “Calculate Totals” and “Save” buttons. These amounts will

populate the “Site Allocation” page in the Schoolwide Consolidation of Funds application. On this page, the LEA will distribute the contributing program funds to each site, based on the needs assessment of each site, then save the page.

4. Go to the “Intent and Purpose” page and provide a description on how the intent and purpose is met for each program that will contribute to the Schoolwide Consolidation of Funds of each school.
5. Go 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 balance with the total amount the site received on the “Site Allocation” page.

2.2 Intent and Purpose of the Consolidated Programs

A school that chooses to consolidate and use 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 maintains records that demonstrate that the schoolwide program, considered as a whole, addresses the intent and purposes of each of the Federal programs that were consolidated to support the schoolwide program. *[ESSA, Section 1114(a)(3)(C)]*. Therefore, as mentioned above, the LEA shall provide a description on how the intent and purpose is met for each program that will contribute to the Schoolwide Consolidation of Funds of each school. To support each narrative statement on this page, each schoolwide school must maintain records that demonstrate that the schoolwide program as a whole addresses the intent and purposes of each of the federal education programs whose funds were consolidated to support it.” *[ESSA, Section 1114(a)(3)(C)]*

CHAPTER 3: General Fiscal Requirements

3.1 Title I Supplement, Not Supplant (SNS) Test

The SNS provision is a fundamental Title I fiscal principle in schoolwide programs. Title I funds must be used to supplement, not supplant, state and local resources. *[ESSA, Section 1118(b)(1)]*

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. *[ESSA, Section 1118(b)(2)]*

No local educational agency 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). [*ESSA, Section 1118(b)(3)(A)-(B)*]

Therefore, 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.

The OSDE follows ESSA, Section 1118 and allows LEAs to demonstrate compliance with the Title I, Part A supplement, not supplant requirement by uploading a methodology in the Consolidated Application to demonstrate how State and local funds are allocated to each school, including Title I schools.

LEAs must keep documentation that demonstrates its methodology for allocating state and local funds in a manner that meets this SNS test. 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.

3.2 Title I Comparability Requirement

When an LEA consolidates Title I, Part A funds in project 785, its schools must still comply with the Title I comparability requirement.

Demonstrating comparability is a prerequisite for receiving Title I, Part A funds. *ESSA, Section 1118(c)(1)(A)(B)* provides 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. If the LEA serves all of its schools with Title I funds, the LEA must use state and local funds to provide services that, taken as a whole, are substantially comparable in each Title I school.

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, an 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. An LEA may also exclude schools with 100 or fewer students from its comparability determinations.

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

3.3 Maintenance of Effort Requirements

In calculating whether it has maintained effort, an LEA can allocate expenditures in a schoolwide program in proportion to the amount of federal funds provided to the schoolwide program. 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.

For those LEAs which consolidate their federal funds in project 785, when calculating whether it has maintained effort, an LEA could allocate expenditures of Federal funds in a schoolwide program in proportion to the amount of Federal funds provided to the schoolwide program. For example, if Federal programs contributed 25 percent of the funds in a schoolwide program, the LEA would consider 25 percent of the funds expended in the schoolwide program to be Federal funds that the LEA would then exclude from its maintenance of effort determination. An LEA may also use other reasonable methods. *[Non-Regulatory Guidance, Title I Fiscal Issues, Revised February 2008, E-20]*

3.4 District Level Set-Asides

An LEA that consolidates all Title I, Part A funds in Schoolwide Consolidation of Funds, must retain and claim in Title I, Part A any district level set-asides. *[Non-Regulatory Guidance, Title I Fiscal Issues, Revised February 2008, E-6]*

Title I set-asides will include funds for homeless students, private 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 pays reimbursements for 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 15 percent cap on carryover because all the funds are part of the Title I, Part A allocation the LEA received.

3.6 Close-outs

At the end of each fiscal year, anytime 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 the Schoolwide Consolidation of Funds pool, and received reimbursement for the current fiscal year, the LEA will need to close-out the Schoolwide Consolidation of Funds program before closing out the rest of the contributing programs. This will allow any unexpended funds in the Schoolwide Consolidation of Funds to carry over to the program from where the funds originated. Originating programs may be closed out in any order after the destination fund has been closed out.

The Consolidated Application for the following fiscal year cannot be created before all the closeouts were performed. LEAs must closeout no later than August 15, every year.

CHAPTER 4: Local Uses of Funds

4.1 Local Uses of Funds

ESSA, Section 1118(b)(3)(A) states 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 schoolwide school, without concerns of breaking the SNS rule.

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. *[ESSA, 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. Part 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

5.1 Q: May a school that consolidates funds under project 785 spend federal funds on activities or services that are required under a state law?

A: Yes. Since supplanting is not determined on individual costs or services, then consolidated federal funds may be spent on activities or services that are required under the state law.

5.2 Q: Must an LEA allocate State and local funds for activities required by Federal, State, or local law to Title I schools?

A: Yes. Where State or local law requires that all schools comply, and to the extent that an LEA allocates State and local funds for activities required by Federal, State, or local law through its allocation methodology to schools, then a Title I school must be allocated State and local funds for the activity required by State or local law, similar to any non-Title I school.

5.3 Q: 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?

A: Yes. ESSA requires an LEA to use funds in schoolwide schools only for allowable costs, even if the LEA complies with the supplement not supplant requirement.

5.4 Q: May a school that consolidates funds under project 785 spend federal funds on district level personnel, materials or services?

A: 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.

5.5 Q: May consolidated funds under project 785 be used *only* to serve low-achieving students?

A: No. Consolidated federal funds may be used to upgrade the entire educational program in a schoolwide program school, 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.

5.6 Q: May consolidated funds under project 785 be used *only* for instruction?

A: No. Consolidated federal funds may be used for activities and strategies designed to raise the achievement of low-achieving students identified by a schoolwide program school's comprehensive needs assessment and articulated in the school's comprehensive schoolwide plan. For example, Title I funds may be used to improve the quality of instructional materials, improve attendance, improve school climate, etc.

RESOURCES

- *Every Student Succeeds Act (ESSA), July 31, 2018*
- *Non-Regulatory Guidance Title I Fiscal Issues, Revised February, 2008*
- *Non-Regulatory Informational Document, Supplement Not Supplant Under Title I, Part A Of The Elementary And Secondary Education Act Of 1965, As Amended By The Every Student Succeeds Act, June 2019*