

ESSA Financial Updates

ALASBO Power Lunch

February 26, 2019

Agenda

ESEA Funding Overview

General Fiscal Flexibilities

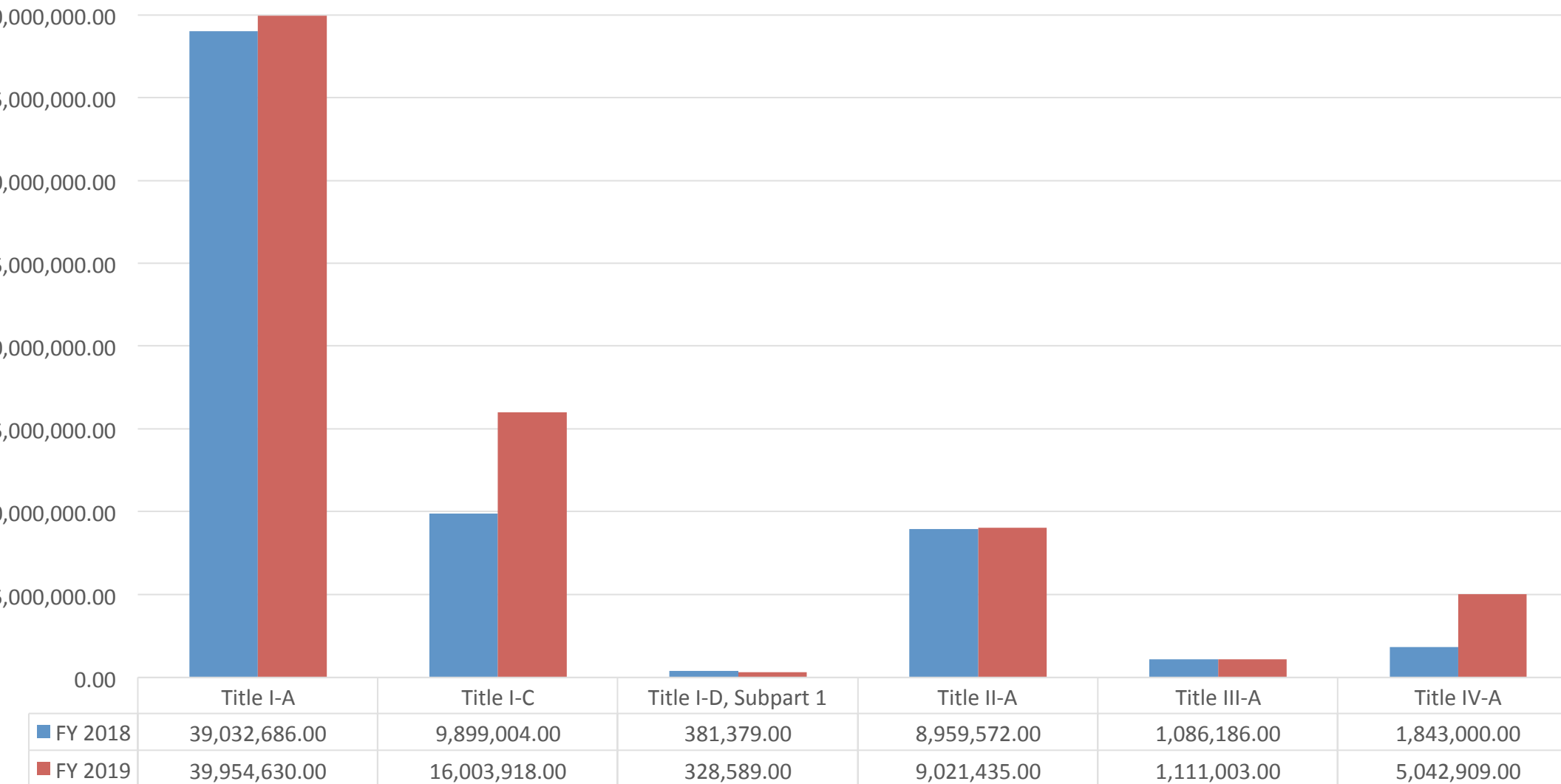
- Carryover Limitations
- REAP-Flex
- Transferability
- Consolidated Administrative Pool
- Supplement, Not Supplant (SNS)

Specific ESEA Program Fiscal Requirements

- Title I-A: Maintenance of Effort, Comparability, SNS, and Per-Pupil Expenditure Reporting
- Title IV-A: Fiscal Requirements based on allocation size

ESEA Funding Overview

FY18 vs. FY19 District Awards



FY20 Allocations Update

- There is a school year 2019-2020 appropriation!
- This means that total funding levels for ESEA programs are set for school year 2019-2020.

Federal Snapshot

| Program | FY2018 (school year 2018-2019) | FY2019 (school year 2019-2020) | Dollar Change | Percentage Change |
|-------------|--------------------------------|--------------------------------|---------------|-------------------|
| Title I-A | \$15,759,802,000 | \$15,859,802,000 | \$100,000,000 | 0.6% |
| Title II-A | \$378,000,000 | \$378,000,000 | \$0 | 0.0% |
| Title III-A | \$2,055,830,000 | \$2,055,830,000 | \$0 | 0.0% |
| Title IV-A | \$1,100,000,000 | \$1,170,000,000 | \$70,000,000 | 6.4% |

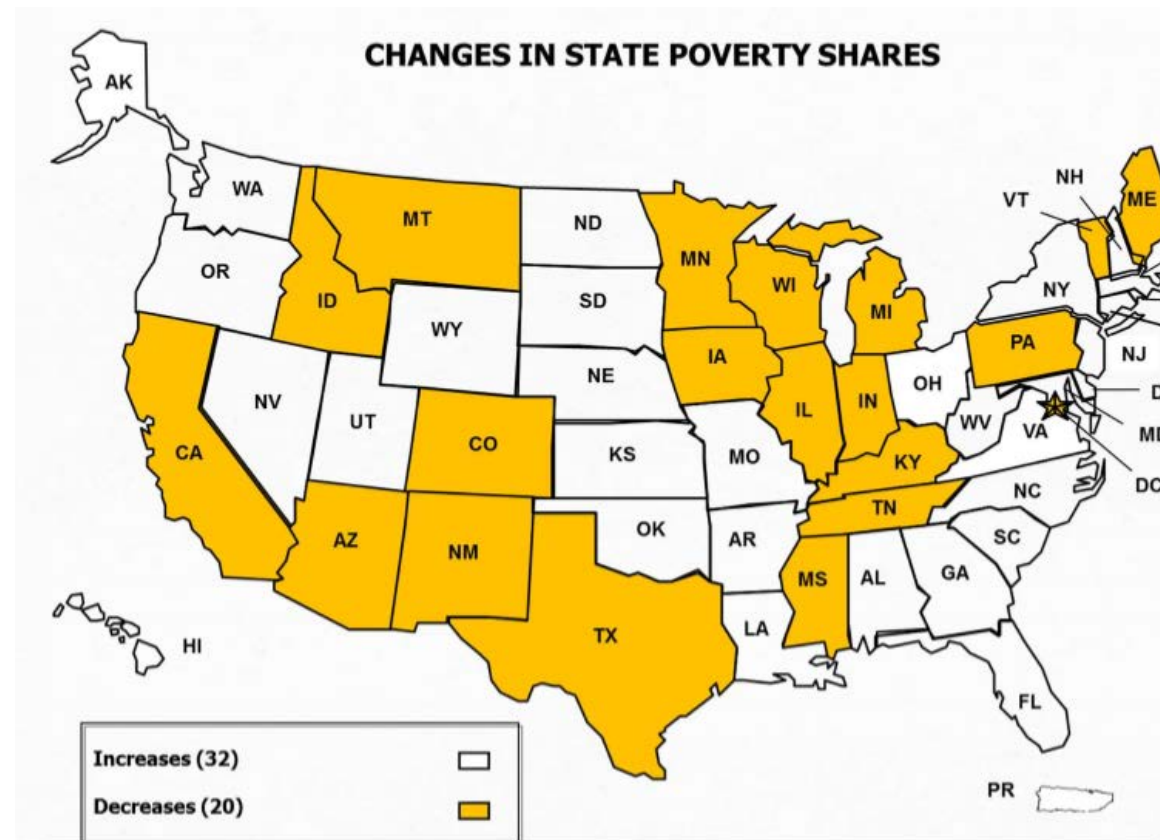
Title I-A Funding and Allocations

2017 CENSUS POVERTY DATA VS. 2016 CENSUS POVERTY DATA: CHANGES IN STATE POVERTY SHARES

- USED will use the most recent Census data to calculate 2019-2020 Title I-A State allocations.
- An important factor to examine is each State's relative share of the total number of poverty children nationally.
- An increase or decrease in a State's relative share provides an early indication of the extent to which a State may experience a gain or loss of Title I-A funds for 2019-2020 school year.

Changes in Poverty Shares

Alaska's 2017 census poverty data vs 2016 census poverty data indicated an increase in the State's poverty share.



What this means at the District level?

- Title I-A district allocations are reliant on many factors and unfortunately estimates are not known at this time. If you would like an overview of the Title I-A district allocation process, please email [Courtney Preziosi](#) or call 465-2888.

General Spending Considerations

Necessary and reasonable

- Uniform Grant Guidance (UGG)
 - Costs never allowed (e.g., alcohol, lobbying, entertainment)
 - General criteria (e.g., costs must be allowable by particular grant)
 - Additional requirements (e.g., documenting time and effort for salaries)
 - Rules for procurement (e.g., tracking items, types of records required)

Consistent with district application (ESEA Consolidated Application)

Effective and meet program goals

- Some programs require, but good practice for all

General Fiscal Flexibilities

Carryover Funds

Title I-A

- 15% carryover limitation
- A waiver may be granted once every 3 years if it is determined the request is reasonable and necessary

Title I-C

- Carryover only allowed for migrant summer programs that cross fiscal years.
- Contact Sarah Emmal for how to budget for a migrant summer program.

Title I-D, Title II-A, Title III-A, and Title IV-A

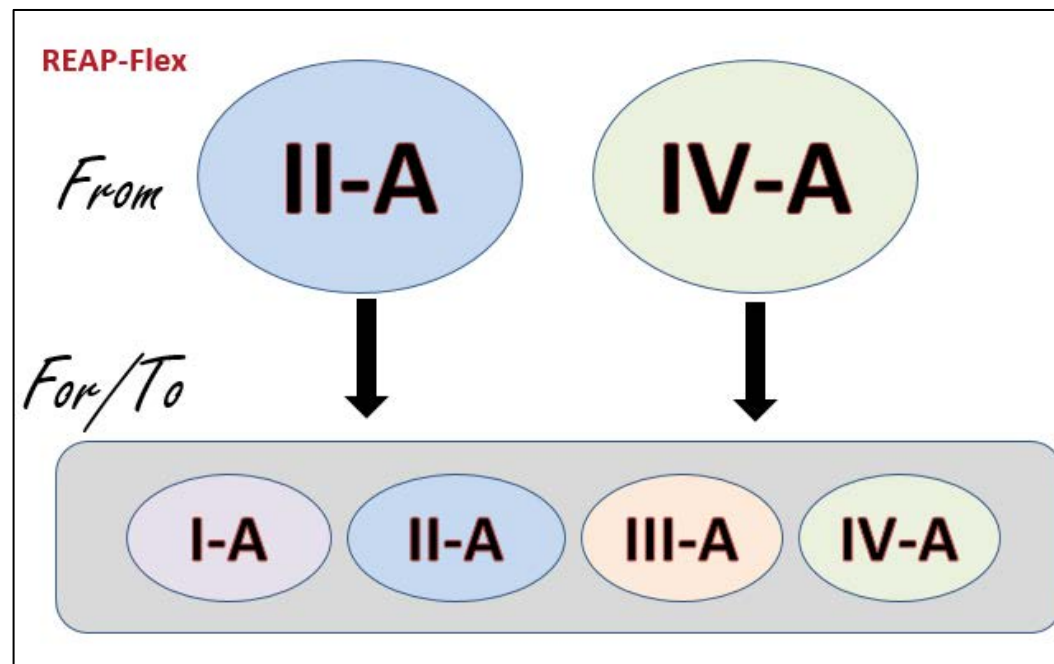
- No carryover limitations; however, funds expire after 27 months.

REAP-Flex

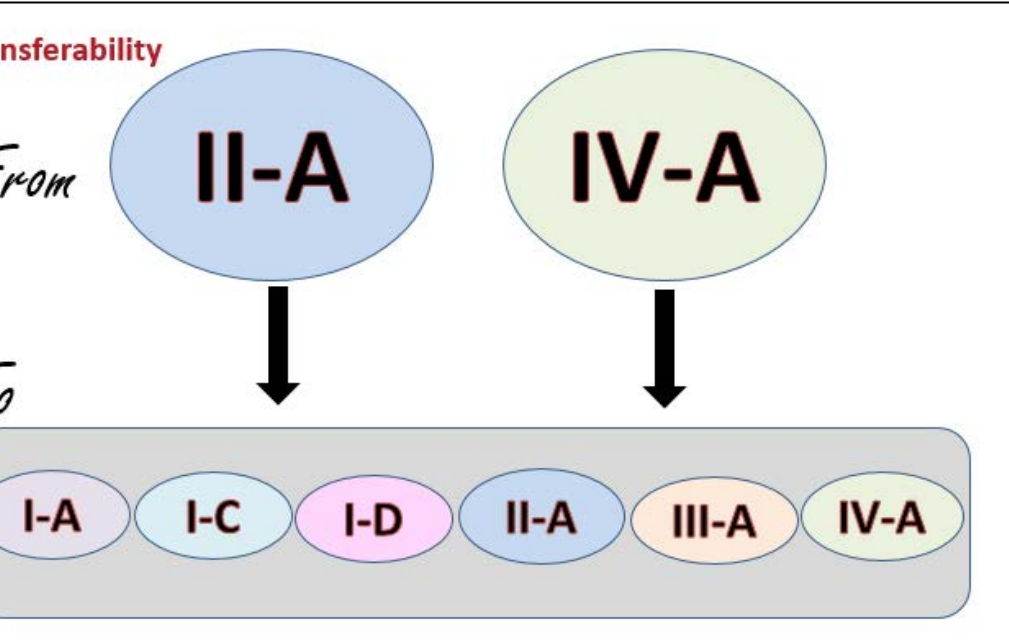
REAP-Flex helps small, rural school districts that may receive Title program grant allocations in amounts too small to be effective by allowing alternate uses for funds.

All districts are eligible to REAP-Flex **except:** ASD, FNSBSD, JSD, KPBSD, KGBSD, KIBSD, LKSD, MSBSD, SSD.

Districts may use up to 100% of funds from I-A and IV-A for allowable activities under I-A, II-A, III-A, and IV-A. (See graphic)



Transferability



Transferability allows districts to target federal funds to federal Title programs that most effectively address their unique needs.

All districts are eligible.

Districts may transfer up to 100% of funds from II-A and IV-A to I-A, I-C, I-D, II-A, III-A, and IV-A, **if** the district already receives an allocation in the receiving Title. (See graphic

Consolidated Administrative Pool (CAP)

All districts are eligible to consolidate funds from multiple ESEA programs for the purpose of covering the costs associated with administering those programs.

Administrative caps are placed by certain Title programs, such as III-A and IV-A.

If the district uses the CAP, the district may not pay for additional administrative costs within that individual Title program budget.

A district that uses the CAP shall not be required to keep separate records, by individual program, to account for costs relating to the administration of the programs included in the consolidation.

Supplement, not Supplant

Supplement, not supplant other state and local funds

- Title I-A
 - Note: New requirements for SNS Methodology.
- Title I-C
 - Note: Title I-C funds shall be used to address the identified needs of migratory children that are not addressed by services available from other Federal or non-Federal programs.
- Title I-D
- Title II-A
- Title IV-A

Supplement, not supplant other **federal**, state and local funds

- Title III-A

Title I-A

Specific Fiscal Requirements

Three Title I-A Fiscal Tests Under ESSA



Maintenance of Effort

Comparability

Supplement, not Supplant

Title I-A Supplement, Not Supplant

NCLB vs. ESSA

NCLB

- Title I supplanting violation was presumed if Title I, Part A paid for
 - An activity required by federal, state, or local law,
 - An activity that was paid for with state or local funds in the prior year, or
 - The same services for Title I students that state and local funds support for non-Title I students.

ESSA

- Under ESSA, compliance with SNS will no longer be tested through individual Title I costs, so these three presumptions no longer apply. ESSA, Section 1118(b)(3)(A).

Title I-A Supplement, Not Supplant Overview

Title I-A Supplement, not Supplant under ESSA:

"A State educational agency or local educational agency shall use Federal funds received under this part only to supplement the funds that would, in the absence of such Federal funds, be made available from State and local sources for the education of students participating in programs assisted under this part, and not to supplant such funds."

§1118(b)(1) of ESEA, as amended by ESSA

Title I-A Supplement, Not Supplant

Overview continued...

To demonstrate compliance with paragraph (1), a local educational agency shall demonstrate that the **methodology used to allocate State and local funds** to each school receiving assistance under this part ensures that such school receives all of the State and local funds it would otherwise receive if it were not receiving assistance under this part."

§1118(b)(2) of ESEA, as amended by ESSA

Title I-A Supplement, Not Supplant Implementation



Costs still must only benefit eligible students.

Costs must be permissible under Title I and ESSA generally.

Costs must still be necessary and reasonable.

Title I-A Supplement, Not Supplant

Methodology Examples

- Distribution of State and local (non-Federal) resources based on the characteristics of the students;
- Distribution of State and local (non-Federal) resources based on staffing and supplies;
- Distribution of State and local (non-Federal) resources based on a combined approach, or,
- Other, as adopted by the district.

Title I-A Supplement, Not Supplant

Alaska District Submissions – Example 1

| | | RATIOS | | METRICS - PER PUPIL | | |
|-----------|-------------|-------------------|--|-------------------------|---------------------------------|-------------------------------------|
| | | Pupil to Teacher* | Elementary Specials to Teaching Staff** | Materials & Supplies | Health & Postage Supplies | Accelerated Learning Funds*** |
| 2018-2019 | Grades K-2 | 23 to 1 | 1 to 6 | \$76.00 | \$7.10 | NA |
| | Grades 3-5 | 26 to 1 | | | | |
| | Grades 6-8 | 29 to 1 | NA | \$86.00 | \$7.10 | NA |
| | Grades 9-12 | 32 to 1 | NA | \$95.00 | \$7.10 | \$0.00 |

Title I-A Supplement, Not Supplant

Alaska District Submissions – Example 2

| School Type | FY 2019 PTR–Grade Level Groupings | | | | | | | |
|--------------------|-----------------------------------|----|----|----|-----|----|-----|------|
| | K | 1 | 2 | 3 | 4–5 | 6 | 7–8 | 9–12 |
| Secondary Schools | | | | | | | | 30 |
| Middle Schools | | | | | | 27 | 27 | |
| Elementary Schools | 21 | 22 | 24 | 25 | 26 | 27 | | |

Title I-A Supplement, Not Supplant

Alaska District Submissions – Example 2 continued...

Elementary Schools

| Number of Students | Librarians | Nurses | Office Administration | BPO |
|--------------------|------------|--------|-----------------------|-----|
| | FTE | | | |
| <300 | 1 | 1 | 1.5 | 1 |
| 300 to 400 | 1 | 1 | 2 | 1 |
| 400 to 500 | 1 | 1 | 2 | 1 |
| 500 to 750 | 1 | 1 | 2 | 1 |

Intermediate Schools

| Principals | Counselors | Nurses | Office Admin | BPO | Security |
|------------|------------|--------------|--------------|--------------|----------|
| 400:1 | 300:1 | 1 per school | 3 | 1 per school | 450:1 |

High Schools

| Principals | Counselors | Nurses | Office Admin | BPO | Security |
|------------|------------|--------------|----------------|--------------|----------|
| 400:1 | 300:1 | 1 per school | Principals + 3 | 1 per school | 450:1 |

Title I-A Supplement, Not Supplant Alaska District Submissions – Example 3

ol 1 – 32 students

| | | | |
|--|---------------------------|--|----------------|
| 6 FTE General Education teachers w/benefits | \$42,487.00 - \$65,475.00 | | \$600,826.00 |
| 1 FTE Special Education teacher w/benefits | \$61,553 | | \$100,201.00 |
| 2.94 FTE Special Ed Aide w/benefits | \$11,612.00 - \$21,934.00 | | \$95,046.00 |
| Professional/Technical Services - contracted SPED director | | | \$63,000.00 |
| Instructional supplies and materials (depending on needs) | | | \$12,500.00 |
| 1 FTE Principal w/benefits | \$80,000.00 | | \$137,090.00 |
| 1.76 FTE school secretarial staff w/benefits | \$19,344.00 - \$28,924.00 | | \$76,887.88 |
| | | | |
| | Total | | \$1,085,550.88 |

ol 2 – 8 students

| | | | |
|---|---------------------------|--|--------------|
| 2.25 FTE General Education teachers w/benefits | \$43,398.00 - \$54,398.00 | | \$224,382.00 |
| .50 FTE Special Education teacher w/benefits | \$54,398 | | \$49,046.00 |
| 2.25 FTE Special Ed Aide w/benefits | \$14,346 - \$18,895.00 | | \$75,197.00 |
| Instructional supplies and materials (depending on needs) | | | \$5,100.00 |
| .25 Principal w/ benefits | \$7,200 | | \$102,870.95 |
| .75 school secretarial staff w/ benefits | \$22,908.00 | | \$36,170.00 |
| | | | |
| | Total | | \$492,765.95 |

Title I-A Supplement, Not Supplant

Other State Examples

- [Miami-Dade School Allocation Plan](#)
- [Houston Independent School District Resource Allocation Handbook](#)
- [Seattle Public Schools](#)
- [Example](#) showing the distribution of state and local funds based on staffing/supplies.

Title I-A Supplement, Not Supplant Seattle Public Schools: Elementary

ELEMENTARY SCHOOLS

| Elementary General Education Teacher Funding Ratios | | | |
|--|--------------------------------|----------------------------------|---------------------------------------|
| | Non-High Poverty Schools | High Poverty Schools > 40% | Very-High Poverty Schools > 75% |
| Kindergarten | 20:1 | 18:1 | 18:1 |
| 1st Grade | 20:1 | 18:1 | 18:1 |
| 2nd Grade | 21:1 | 20:1 | 18:1 |
| 3rd Grade | 24:1 | 20:1 | 18:1 |
| 4th Grade * | 27:1 | 27:1 | 27:1 |
| 5th Grade * | 27:1 | 27:1 | 27:1 |

*Plus Preparation Conference & Planning (PCP) time at 12.5%;
allocations are rounded-up to nearest 1.0 FTE for Teachers
and up to nearest 0.5 FTE for PCP.*

| EXAMPLE : Non-High Poverty School | | |
|-----------------------------------|------------------|------------------------|
| | Student AAFTE | Teacher Calculation |
| Kindergarten | 70 | 3.500 |
| 1st Grade | 72 | 3.600 |
| 2nd Grade | 68 | 3.238 |
| 3rd Grade | 67 | 2.792 |
| 4th Grade | 67 | 2.481 |
| 5th Grade | 65 | 2.407 |
| Sub-Total | 409 | 18.02 |
| Rounded Teacher FTE | | 19.00 |
| PCP @ 12.5% (rounded) | | 2.50 |
| Total Teacher Allocation | | 21.50 |

* The grade 4-5 class size target is 28 students; the allocation has been enhanced to allow some flexibility to manage class sizes and split classrooms across all K-5.

Title I-A Supplement, Not Supplant

Seattle Public Schools: Elementary (cont.)

| Elementary Core Administrative and Support Staffing Ratios | | | | | |
|--|-------|---------|---------|---------|------|
| Elementary School Core Staffing Using Student AAFTE | ≤ 300 | 301-450 | 451-600 | 601-750 | 751+ |
| Principal | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Admin Secretary - 220 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Elementary Asst Secretary - 201 | 0.5 | 1.0 | 1.0 | 2.0 | 2.0 |
| Librarian | 0.5 | 0.5 | 0.5 | 1.0 | 1.0 |
| Certificated Core Staff | | | 0.5 | 0.5 | 0.5 |
| House Administrator | | | | | 1.0 |
| Nurse ** | 0.2 | 0.3 | 0.4 | 0.5 | 0.5 |

** Nurses allocated thru the WSS formula are staffed centrally.

| Elementary Counselor / Social Worker / Head Teacher | |
|---|--|
| 0.5 position for school that is: | Focus or Priority, or Greater than 50% poverty, or Social/Emotional Behavior program |

What should be included in the district's Title I-A SNS methodology?

Include

- Teachers and Paraprofessionals
 - Salary, Benefits, Supplements
- Instructional Materials
- School Administration
 - Principals and Other Administration
- School Counselors
- Librarians
- Professional Development

Exclude

- Debt Service
- Capital Expenditures
- Insurance
- Food Service
- Maintenance
- Utilities
- Transportation
- Athletic/Extracurricular
- Districtwide Activities (ie. district administration)
- Summer School Programs (districtwide)

Title I-A Supplement, Not Supplant

Important Notes

- Method might vary from school-to-school based on school size, variations in programs offered in a school, special education services, etc.
- All schools (even non-Title I schools) must be included in the methodology.
- DEED does not have the authority to grant a waiver.
- Do not reinvent the wheel – does your district already have a methodology in place?

Draft Title I SNS Non-Regulatory Guidance

- USED released a draft document on January 25, 2019 titled *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* -
<https://www2.ed.gov/policy/elsec/leg/essa/snstitleiguideance.pdf>
- USED Press Release -
<https://content.govdelivery.com/accounts/USED/bulletins/22abe3a>

Secretary DeVos: "Supplement, not Supplant" Proposal Helps Promote Effective Spending, Flexibility

▪ "Schools need to spend resources on what's best for students, not what's least likely to come up in an audit," said Secretary DeVos. "Teachers and school leaders consistently tell me the ever-growing paperwork burden is one of the biggest impediments to focusing on what really matters: the kids. This proposal does not change the legal obligations school districts have to make appropriate investments in education. It simply makes clear that a school district has significant flexibility in how it demonstrates compliance with the law."

▪ Press release -

<https://content.govdelivery.com/accounts/USED/bulletins/22abe3a>

Draft Title I SNS Non-Regulatory Guidance – *Highlights*

- Acknowledgement that Title I SNS under NCLB was “burdensome” and giving “strong incentives to perpetuate past spending practices – even hopelessly ineffective ones.”
- Frequently Asked Questions –
 - Per-pupil expenditure data *cannot* be used to demonstrate compliance with SNS
 - Last-minute changes before the start of school will not affect compliance
 - No requirement to post methodology on district websites
 - States need not *approve* district methodologies, rather ESEA requires States to monitor districts to ensure compliance

Title I SNS Exceptions - Feedback

Slide from Combined Federal Programs Meeting in Washington, DC

Presenters:

Todd Stephenson, Office of State Support

Michael Anderson, Office of the General Counsel

Kay Rigling, Office of the General Counsel

TITLE I SUPPLEMENT NOT SUPPLANT

OTHER EXCEPTIONS

An LEA does not have to demonstrate compliance under ESEA section 1118(b)(2) if it has:

- Only one school.
- All Title I schools.
- A grade span with a single school or all Title schools (i.e., no methodology is required for this grade span).



Supplement, not Supplant Methodology vs. Per Pupil Expenditure Reporting

Title I SNS Methodology

- Requires districts to distribute state and local funds to schools without taking into account a school's participation in the Title I Program.
- Methodology is inclusive of **just State and local funds**.

PPE Reporting

- Districts will report the expenditures by school and at the district level, DEED will then calculate the school level per pupil expenditure.
- PPE is inclusive of **Federal, State, and local funds**.

Title IV-A

Specific Fiscal Requirements

Title IV-A Fiscal Requirements for Districts Receiving **\$30,000 or more**

Priority I: Well-Rounded

- At least 20% of district allocation must be dedicated to Well-Rounded Education

Priority II: Safe & Healthy Students

- At least 20% of district allocation must be spent on student health and safety

Priority III: Effective Use of Technology

- Some portion of the Title IV Part A allocation must be utilized for technology
- *Special Rule Applies – 15% technology purchase cap*

Title IV-A Fiscal Requirements for Districts receiving **less than \$30,000**

Only required to focus on **ONE** of the three priority areas

Priority I: Well-Rounded

- District Choice **must support school with greatest need*

Priority II: Safe & Healthy Students

- District Choice **must support school with greatest need*

Priority III: Effective Use of Technology

- District Choice **must support school with greatest need*
- *Special Rule Applies – 15% technology purchase cap*

Title IV-A Special Rule: Effective Use of Technology

No more than 15 percent of funds may be used to purchase technology infrastructure such as: devices, equipment, software applications, platforms, digital instructional resources and/or other one-time IT purchases.

Only applies to funds allocated to Priority III: Effective Use of Technology. It does not apply to the funds allocated to Priority I and Priority II.

Questions?



DEED Program Contact Information

| Program | DEED Contact | Phone | E-mail |
|--|-------------------|--------------|--|
| Title I-A | Courtney Preziosi | 907-465-2888 | Courtney.Preziosi@alaska.gov |
| Title I-C | Sarah Emmal | 907-465-3826 | Sarah.Emmal@alaska.gov |
| Title I-D | Sharon Fishel | 907-465-6523 | Sharon.Fishel@alaska.gov |
| Title II-A | Cecilia Miller | 907-465-8703 | Cecilia.Miller@alaska.gov |
| Title III-A | Kelsey Smiley | 907-465-8679 | Kelsey.Smiley@alaska.gov |
| Title IV-A | Kami Moore | 907-465-2939 | Kami.Moore@alaska.gov |
| Title IV-B | Jessica Paris | 907-465-8716 | Jessica.Paris@alaska.gov |
| Title V (SRSA, RLIS, REAP-Flex, Transferability) | Jessica Paris | 907-465-8716 | Jessica.Paris@alaska.gov |
| McKinney-Vento | Sheila Box | 907-465-8704 | Sheila.Box@alaska.gov |

Contact Information

Courtney Preziosi



Courtney.Preziosi@alaska.gov



(907) 465-2888