

FREQUENTLY ASKED QUESTIONS – ARRA/STIMULUS FUNDING SUPPORTING NCLB PROGRAMS

This FAQ document will address the ARRA program allocations to NCLB programs. The normal program funds allocated by Congress under the No Child Left Behind (NCLB) Act are referred to in this document as “regular” funds, and the appropriation under the American Recovery and Reinvestment Act (ARRA) to support the NCLB program is referenced in this document as “ARRA” funds or “Stimulus” funds.

GENERAL

1. What are a DUNS and a CCR?

LEAs are required to create and/or validate an existing Data Universal Numbering System (DUNS) and Central Contractor Registration (CCR) to be eligible to receive their Notice of Grant Award (NOGA) for any of the federal ARRA funds. Letters to the Administrator outlining step-by-step processes were mailed and posted the week of April 13, 2009. LEAs may submit the application prior to creating and/or validating their DUNS number and CCR but must have completed the process in order to receive a NOGA.

2. What are the two “pots” of money referred to as Stimulus and Stabilization? Are they different fund sources?

There are multiple fund sources under ARRA. Title VIII of ARRA consists of program allocations, commonly referred to as “stimulus funding,” such as:

- Title I, Part A;
- Title I School Improvement 1003(g) -- SIP Academy Grants;
- Title II, Part D;
- McKinney-Vento Homeless; and
- IDEA.

Title XIV is the State Fiscal Stabilization Fund (commonly referred to as Education Stabilization or Stabilization funds). More information on the Education Stabilization funding will be available after the Governor's office receives approval of the state's application from USDE.

3. Is focusing on the four target investments noted in the Commissioner's letter a requirement?

While the state cannot tell an LEA how to expend the ARRA Title I funds, the four target areas do provide a unified focus for LEAs and campuses that are aligned with the governor's application in which he assures the USDE of his intention to focus reforms in these areas.

Additionally these reforms are highlighted in the Race to the Top competitive grant requirements that will become available in FY2010 (SY2009-2010). The state strongly encourages the use of ARRA Title I for

allowable Title I, Part A uses that align to the four target areas:

- increasing efforts to institute rigorous post-secondary standards and high-quality assessments;
- enhancing pre-kindergarten to post-secondary data systems that track progress and foster continuous improvement;
- continuing to improve teacher effectiveness and supporting the equitable distribution of qualified teachers across the state; and
- expanding the state's support and effective interventions for the lowest performing schools.

These are not intended to limit an LEA in the scope of its planning. The Title I ARRA funds must be expended to meet the needs identified by the Title I, Part A campus in the Title I comprehensive needs assessment process.

TITLE I

APPLICATIONS

4. When is the ARRA Title I application due?

The Title I ARRA application (2009-2010 NCLB Consolidated Federal ARRA/ Stimulus Grant) opened in eGrants on April 15, 2009, and is due to TEA by 5pm, CDT on September 1, 2009. The funding is effective on the date the application is submitted to TEA in substantially approvable form.

5. Are there one or two applications for each year of funding?

There is one application, the 2009-2010 NCLB Consolidated Federal ARRA/Stimulus Grant Application, for SY 2009-2010 funds that opened on April 15, 2009. There will be an amendment in the spring for maximum entitlements. Any funds not expended by June 30, 2010, will carryover to the following school year. LEAs will complete a "roll-forward only" application for these funds in 2010.

The Consolidated NCLB Application for Funding is a separate grant application for "regular" NCLB funds.

6. Why can't there be one application for both regular and ARRA funding?

Due to the significant transparency and accountability provisions accompanying the ARRA statute, there is a requirement to track all expenditures of funds separately and report separately. Since there were no open budget columns in the Consolidated NCLB Application for Federal Funding, a second submission is required. The 2009-2010 NCLB Consolidated Federal ARRA/Stimulus Grant Application is part of the total consolidated application process.

7. From what programs will the ARRA Title I funds be available?

The Title I, Part A ARRA funds will be available through the following programs based on the ARRA statute: Title I, Part A (allocated by Targeted and EFIG formulas only) and Title I School Improvement Section 1003(g) (SIP Academy Grants).

Under Title I, Part A, the NCLB statutory reservations for Title I, Part D, Subpart 2 and the School Improvement Program (SIP) also apply to ARRA funds; therefore, there will also be ARRA Title I, Part D, Subpart 2 and ARRA SIP funds available.

8. When may LEAs begin spending Title I ARRA funds?

The Title I ARRA funds are available for obligation upon certification and submission, in substantially approvable form, of the LEA's application for funding to TEA. Please note, however, that some LEA procedures may require the LEA to receive the NOGA from TEA before allowing obligations.

9. Will guidance for ARRA application be same as for regular Title I, Part A?

Title I, Part A requirements apply to all Title I ARRA funds. Additional guidance for the 2009-2010 NCLB Consolidated Federal ARRA/Stimulus Grant Application is available in the Program Guidelines document with the application in eGrants. Please read the document thoroughly for special instructions related to particular application schedules.

10. Are the posted planning amounts just the stimulus funds or both regular tentative entitlements and stimulus funds lumped together?

The planning amounts are the full ARRA entitlements for each LEA and they are listed on the TEA website found at http://ritter.tea.state.tx.us/opge/formfund/NCLB/ARRA_StimulusFunding/T1PA_StimulusWebPrelimAmtbyDistrict.pdf.

TEA will release the planning amounts for the regular Title I, Part A funding separately with the Consolidated NCLB application.

11. Are charter allocations included in the planning amounts?

Yes. All Title I ARRA planning amounts are on the formula funding division web site at <http://ritter.tea.state.tx.us/opge/formfund/NCLB/NCLBARRAStimulusFunding.html>

FUNDS

12. FY 2009, is that School Year 2009-2010?

Yes, the fiscal year designation differs between USDE and TEA. USDE references Fiscal Year (FY) 2009 for the school year (SY) 2009-2010 and FY 2010 for SY 2010-2011. TEA references FY 2010 for the SY 2009-2010 and FY 2011 for SY 2010-2011.

In terms of funding, the ARRA funds are for USDE FY09 (SY 2009-2010) and any funds that are not spent or

obligated in the FY 2009 (SY 2009-2010) may be rolled forward to the FY 2010 (2010-2011). All ARRA funds must be expended by September 30, 2011.

13. May LEA set-aside amounts be used for all Title and Non-Title Campuses?

No. All Title I ARRA funds may only serve Title I campuses. No Title I funds, ARRA or regular, may serve non-Title I campuses. District set-asides off the top (before allocating to campuses) of Title I funds may only be used as required in statute or for initiatives that meet the identified needs of all Title I campuses.

14. Who determines how the funds are spent, the campuses or the district?

Title I ARRA funds are to be used for regular Title I allowable activities with the same programmatic requirements. Each Title I campus must conduct a comprehensive needs assessment to determine the identified needs to be met with the Title I ARRA funds and maintain proper documentation of those identified needs.

Each LEA receiving Title I, Part A funds must also conduct a comprehensive needs assessment. It is expected that each campus will identify needs that are specific to that campus. The needs may be similar to needs of other campuses but should not resemble a “cookie cutter” approach. Reservations of funds for district-level Title I initiatives must meet the needs of all Title I campuses, or all Title I campuses within a given grade span, and should be determined with the input of both district and campus staff.

15. What uses of ARRA Title I funds are allowable?

The Title I ARRA funding must be expended for allowable supplemental Title I, Part A activities.

- Funds may be used to increase the per-pupil amount allocated to each Title I, Part A campus or to serve new Title I, Part A campuses. Regardless, a campus with a lower poverty percentage may not receive a higher per-pupil allocation than a campus with a higher poverty percentage.
- All required district-level set asides apply to Title I, ARRA funds (unless a waiver is granted).

The types of activities listed in Parts 4-15 of the Program Description Schedule PS3111 serve as examples of allowable uses of the funds that align to the ARRA Goals and the state’s priorities for education, as long as they are meeting needs identified by the campus and are supplemental to state or local requirements.

16. Are there any unallowable activities?

Title I ARRA funds may not be expended for the following types of activities:

- Any activity that is not supplemental for a Title I-served campus;
- Construction, modernization, renovation, or repair;
- Using 100% of the funds at the district level; or
- Storing or stockpiling of equipment or supplies.

All purchases must be used within one year of purchase.

17. How soon will LEAs receive their Notice of Grant Awards (NOGAs)?

The 2009-2010 NCLB Consolidated Federal ARRA/Stimulus Grant Applications will be processed in the order of their stamp-in date. Once the negotiation is completed and pending the procurement of a DUNS and CCR, Notice of Grant Award will be issued.

18. Is the ARRA Title I funding by formula allocation or discretionary grant competitions?

All eligible LEAs will receive their formula entitlement as long as the application is submitted by the deadline, regardless of the order in which their application is processed.

19. What percentage of ARRA funds must/should be allocated to campuses?

Due to LEAs striving to invest these funds in ways that avoid unsustainable continuing commitments after the funding expires, the TEA anticipates that LEAs may plan for higher than normal district-level initiatives; however, the LEA must allocate an appropriate amount of the Title I ARRA funding to campuses following the statutory allocation rules. TEA will question the LEA and ask for additional clarification if the application reflects a less than appropriate amount of funds being allocated to Title I campuses.

20. What are the new ARRA fund codes?

Title I ARRA funds will have new fund codes different than the regular fund codes.

The funding codes for the ARRA allocations are:

- 285 -Title I, Part A;
- 286 -Title I SIP Academy Grant; and
- 279 -Title II, Part D

21. Do we expect Title I funding to increase in SY 2011-2012? Our concern is that the influx of Title I ARRA funds for SY 2009-2010 and SY 2010-2011 will cause a "drought" after it is gone. What is your best advice?

Regular Title I, Part A funding has increased incrementally the past few years. Schools and LEAs should proceed with fidelity and integrity when spending the Title I ARRA funds on short-term investments with the potential for long-range benefits. The best an LEA can do is to implement the Title I ARRA funding for the most effective uses and meet all the program and Title I ARRA requirements.

22. Do funds have to be expended and cleared for ARRA by September 2011 or can they be encumbered and cleared within 30 days?

SY 2009-2010 Title I, Part A ARRA funds will be available for obligation until September 30, 2011. All services must be received (full benefit) within thirty days of the close of the grant period.

23. For campuses/districts going into SIP in 2009-2010 or 2010-2011 how will funding be allocated under Title I ARRA?

Funds provided through Title I ARRA are USDE FY 2009 (SY 2009-2010) funds that, along with Title I, Part A funds under regular FY 2009 appropriation make up an eligible LEA's total FY 2009 allocation. A SIP campus may have a SIP regular allocation and an SIP ARRA allocation. In addition, eligible SIP campuses may have both regular and ARRA SIP Academy allocations.

24. Do all Title I campuses receive the same amount of per-pupil funding. Do charters receive the same amount of funding?

No. Title I LEAs must follow statutory rules for allocating Title I funds to Title I campuses. Basically, no Title I-served campus with a lower poverty percentage can receive a higher per-pupil allocation of Title I funds than a Title I-served campus with a higher poverty percentage. Charter schools allocate Title I funds the same way. At the district level, there are four statutory formulas that determine the LEA's Title I allocation based on several factors, including Census poverty data.

25. If the LEA has campuses in SIP, must it still budget 20% of ARRA funds for SES and School Choice?

Yes, unless a waiver is granted by USDE. At this time, USDE has not released their waiver application procedures and has asked states not to submit any waiver requests until they do so.

26. In addressing the Ed-Flex waiver for roll forward, if an LEA has implemented a waiver this past year, would that exclude the LEA from using it again for ARRA?

No, the TEA, under its Ed-Flex authority, will waive the Title I carryover limitation for the Title I ARRA funds. This will be a new Ed-Flex waiver.

27. Will the state implement its Ed-Flex waiver authority?

USDE has said that it will consider waivers to some programmatic requirements of the Title I ARRA funds. USDE has requested that states not submit any waiver requests until USDE releases its waiver of guidance and procedures.

In addition, Texas may waive some requirements, other than the carryover provision listed above; however, Ed-Flex authority is prohibited from waiving several requirements. Therefore, although Texas has Ed-Flex authority, some waiver requests may need to be submitted to USDE for approval.

TEA will provide more guidance after USDE releases its waiver process.

ROLL FORWARD/CARRYOVER

28. Is there any roll forward provision?

Yes, the Tydings Amendment (the federal statute that creates the carryover [roll forward provision]) applies to the Title I ARRA funds. Any funds not expended in School Year 2009-2010 may be rolled forward to School Year 2010-2011. All ARRA funds must be obligated by September 30, 2011.

29. Is there a limit on the amount that can be rolled forward?

The Title I ARRA funds follow the regular Title I statute which limits roll forward to 15% without a waiver. However, TEA will waive the carryover limitation for the Title I ARRA funds by implementing its Ed-Flex authority.

30. Will roll forward on regular Title I, Part A allocation be relaxed – can we roll forward greater than 15%?

All regular rules and regular waiver options apply to the roll forward provision for the regular Title I funds. LEAs have the statutory waiver that they may use once every three years. In addition, LEAs still have access to the Ed-Flex waiver that allows a higher carryover if the LEA has an increase when maximum entitlements are calculated.

31. Does the current Ed-Flex statewide waiver on roll forward apply to both regular Title I, Part A and ARRA funds?

No, the existing statewide Ed-Flex roll forward waiver only applies to the regular Title I funds when the LEA receives a significant increase at the release of maximum entitlements. The statutory waiver also applies to regular Title I. Eligible LEAs may still take advantage for those waiver options. The state will issue a new Ed-Flex waiver for Title I ARRA funds as described above.

32. Will 20% set aside for schools in SIP program apply to Title I ARRA funds?

Yes, unless a waiver is granted in the future.

33. Does the 15% roll forward apply to ARRA and regular Title I or are they combined?

The statutory limitation on Title I, Part A allocations applies to both regular Title I, Part A and Title I ARRA. However, since the state is waiving the requirement for Title I ARRA, the statutory requirement still applies only to regular Title I, Part A,

34. Is approval for carryover required in the 2009-2010 application?

The carryover provision for the 2008-2009 regular Title I funds works the same as always. The same regular waiver options and procedures will be followed in the 2009-2010 Consolidated NCLB Application for Funding.

35. Is there carryover for 20% reservation for SES and school choice transportation?

Yes. Please review the TEA's new guidance on this subject on the NCLB web site at <http://ritter.tea.state.tx.us/nclb/PDF/20PercentProcedureProcesses.pdf>.

ELIGIBILITY

36. Why is LEA eligibility for Title I ARRA based on the Targeted and EFIG formulas only?

The eligibility is defined by the ARRA statute.

An LEA is eligible for Title I Targeted and EFIG grants as described below.

Targeted Grant

1. Children to be Counted – same formula children as required for a Basic Grant.
2. LEA Eligibility – in order to be eligible for Title I, Part A Targeted Grant funds, an LEA must have:
 - a. at least ten formula children; and
 - b. the number of formula children must be five percent or greater of the LEA's population (ages 5-17, inclusive, as documented by the Census Bureau's poverty criteria).
3. Weighted Child Count – an eligible LEA receives a Targeted Grant based on a weighted child count determined by the higher of percent or number of formula children.

Education Finance Incentive Grant (EFIG)

1. Children to be Counted – same formula children as required for a Basic Grant.
2. LEA Eligibility – in order to be eligible for Title I, Part A EFIG Grant funds, an LEA must have:
 - a. at least ten formula children; and
 - b. the number of formula children must be five percent or greater of the LEA's population (ages 5-17, inclusive, as documented by the Census Bureau's poverty criteria).
3. Weighted Child Count – an eligible LEA receives an Education Finance Incentive Grant based on the State's equity factor and a weighted child count determined by the higher of percent or number of formula children.

Formula children are defined as:

- a. low-income children as documented by the Census Bureau's poverty criteria (not free/reduced-price lunch criteria);
- b. children who live in foster homes as reported by the Department of Protective and Regulatory Services; and
- c. children who live in facilities for neglected children as reported on the Annual Survey of Children in Local Facilities for Neglected Children.

See Appendix 15 at <http://ritter.tea.state.tx.us/nclb/nclbaa/ap15FundingFormulas.pdf> for more information.

37. Can ARRA funds be used on non-Title I campuses?

No, Title I ARRA funds are specifically designated for campuses that are identified as Title I-served campuses.

However, LEAs may choose to serve additional Title I-eligible campuses with Title I funds since the LEAs are receiving the Title I ARRA funding. It does not matter whether the campus receives regular Title I, Part A funds; Title I ARRA, funds; or both--the campus is considered a Title I-served campus.

38. If we have multiple campuses, do we rank campuses by poverty and divide the funds based on the number of poverty students?

The LEA must follow statutory eligibility, selection, and allocation rules just like regular Title I funding. See the Campus Allocation section of the regular Title I, Part A guidance.

39. Will the one-year planning requirement be waived for new Title I schools?

No, campuses receiving Title I ARRA funds will be subject to the requirements outlined in the regular Title I regulations. A campus may enter as a targeted assistance campus or begin the year-long planning process to be schoolwide. A campus planning to implement a schoolwide program may do so with less than one year of planning only if its external technical assistance provider (which may be the ESC) signs off that an appropriate level of planning has occurred.

40. Can campuses moving to Title I status in 2009-2010 access Title I ARRA funds as soon as they are available?

If campuses meet the eligibility requirements and planning requirements, expenditure of Title I ARRA funds may occur as soon as the LEA has certified and submitted its application, in substantially approvable form, to TEA. Prior to the submission of the SC5000 in the 2009-2010 NCLB Consolidated Application, the Title I ARRA funds may only be used on Title I campuses listed in the SC5000 for the 2008-2009 application or listed on Part 17 of the PS3111 in the NCLBST10 ARRA application. See the NCLBST10 Program Guidelines in eGrants for instructions.

41. What would happen if the LEA served a high school (Title I for the first time) with Title I ARRA funds and the high school did not make AYP?

A Title I campus enters School Improvement Stage 1 status, and implements the required interventions, once it has missed AYP for two consecutive years and has been served with Title I funds those same two consecutive years.

Even if the high school had missed AYP prior to becoming a Title I-served campus, the count of consecutive years would only begin from the year the campus became both Title I-served and missed AYP.

42. What are the Title I schoolwide requirements for newly added Title I-served campuses because of ARRA funds?

The one-year planning requirement described above, as well as all schoolwide requirements in statute and regulation, apply regardless of whether the campus is funded with regular Title I, Title I ARRA or a combination of both fund sources.

43. How will charter schools qualify for the ARRA Title I funding?

Charter school LEAs are eligible under the same basis as other LEAs. TEA implements the same procedures to determine the charter school allocations. The charter LEA must be eligible for Title I funds

under the targeted and incentive formulas of Title I as required by ARRA statute.

44. Can an AEP be eligible for Title I status? What about a DAEP?

LEAs must follow the Title I campus eligibility requirements for determining whether their AEP or DAEP campuses are eligible to be served with Title I funds. These types of special campuses are eligible for Title I ARRA services on the same basis as they are eligible for regular Title I services.

COMPREHENSIVE NEEDS ASSESSMENT

45. Will there be enough time to complete a comprehensive needs assessment?

There is sufficient time to conduct the comprehensive needs assessment properly since the application is not due to TEA until September 1, 2009.

In addition, if the campus and LEA has correctly conducted its regular comprehensive Title I needs assessment process to determine all the needs of the Title I campus, there is no need for a separate process to be completed.

46. Who should be involved in the planning of these expenditures?

All stakeholders should be part of the comprehensive needs assessment process. The needs assessment should include data and needs for all student groups on the Title I campus, including Migrant students, students with disabilities, and English Language Learners (ELLs).

Migrant students and students with Limited English Proficiency are Title I eligible students first, meaning that the Migrant and Title III programs must supplement the services these students receive from Title I.

47. Will there need to be a separate needs assessment for the ARRA funds?

No, one inclusive needs assessment will suffice for both regular Title I, Part A funds and Title I ARRA funds as long as it was conducted correctly and reviewed the needs of all student groups on the campus and identified all the needs of the campus.

If, however, the regular Title I needs assessment process only identified needs to be addressed by regular Title I funds, then the campus would be required to conduct another more comprehensive needs assessment to determine the uses of the Title I ARRA funds.

48. Is it allowable to expend this funding to conduct the comprehensive needs assessment (or does the CNA have to be done before applying for or receiving the funds?)

The comprehensive needs assessment must be completed prior to applying for the funding because the application for funding must address the needs identified in the comprehensive needs assessment.

49. If the needs assessment indicates the need for extended time on task, could an LEA conduct expanded afterschool activities that include enrichment activities?

In general, after-school tutoring and extended-day activities to allow for extended time on task are allowable as long as they are meeting an identified need to improve student academic achievement. After-school activities must meet the Title I requirements for being an allowable expense.

Enrichment activities must be aligned to improving student achievement. This question has multiple issues to be considered. Please contact the Division of NCLB Program Coordination staff to discuss specifics.

SUPPLEMENT/NOT SUPPLANT

50. What is considered supplanting?

The federal supplement, not supplant provision is intended to ensure that services provided under Title I are used to supplement (*increase the level of services*), and not supplant (*replace*), services that would otherwise be provided to participating students with state and local funds if Title I funds were not available.

Any program activity required by state law, State Board of Education (SBOE) rule, or local board policy may not be funded with Title I, Part A funds. State or local funds may not be decreased or diverted for other uses merely because of the availability of federal funds.

The LEA must maintain documentation that clearly demonstrates the supplementary nature of these funds.

On a Title I Targeted Assistance Program (TAP), records must be maintained that document that Title I, Part A funds are expended on activities and services for only Title I, Part A eligible children identified as having the greatest need for special assistance.

On Title I Schoolwide Programs (SWP) the Title I, Part A funds are only required to supplement the amount of funds available from non-federal sources for the campus including funds to provide services that are required by law for children with disabilities and children with limited English proficiency. The campus is not required to demonstrate that activities are supplemental. The campus does not identify (target) particular students or to provide supplemental services to identified students. Other funds may be used on a schoolwide campus in combination with Title I, Part A to upgrade the entire educational program of the campus. Such schoolwide programs are exempt from statutory or regulatory requirements of other federal education programs, provided that the intent and purposes of such programs are met and the needs of the intended beneficiaries of the federal fund sources combined are met. The effectiveness of the program is measured by student performance.

An LEA may exclude from its S/NS compliance determination any supplemental state or local funds expended in any school for programs that meet the intent and purpose of Title I, Part A. Title I regulations govern what constitutes a program that meets the intent and purpose of Title I, Part A. A Targeted Assistance-like program meets the intent and purpose of Title I if the program:

Serves only students failing or most at-risk of failing to meet the state's academic achievement standards,

- Provides supplementary services designed to meet the special needs of the students in the program, and
- Uses the state's assessment system to determine effectiveness of the program.

A Schoolwide-like program meets the intent and purpose of Title I if the program:

- Campus meets the SW poverty threshold (40%) for eligibility;
- Promotes schoolwide reform and upgrades the entire educational operation of the campus to support

students in their achievement toward meeting the state's student academic achievement standards;

- Meets the educational needs of all children in the school, particularly the needs of children who are failing, or most at risk of failing, to meet the State's challenging student academic performance standards; and
- Uses the state's assessment system to determine effectiveness of the program.

There are three presumptions of supplanting, which may be rebutted with proper documentation.

- Providing services that the LEA is required to make available under other federal law, state law, State Board of Education rule, or local policy.

Rebuttal: It is extremely hard to document and prove that the LEA would not have implemented the other federal, state, or local requirements. The review also considers how all other funds were expended.

- Providing services that the LEA provided the prior school year with nonfederal funds.

Rebuttal: This presumption may be rebutted with proper documentation; however, the documentation must show that the original source of funding is no longer available and the service or activity would not have been continued in the next year. This situation must be documented at the time the decisions to not continue the service or activity is made. The decision cannot be made due to Title I funds being available. This situation cannot be documented after the fact. Note: Providing services with ARRA Title I funds that the LEA provided the prior school year with regular Title I funds is not a supplant, as both are federal funds.

- Providing services to students participating in a Title I program that the LEA provides to non-Title I students or students at non-Title I schools with nonfederal funds.

Rebuttal: The rebuttal to this presumption is often the exclusion for Title I-like programs (described above), which is allowed in statute.

51. Will the supplement, not supplant requirement apply to ARRA funds?

Yes, all regular Title I, Part A requirements apply to the Title I ARRA funds including the supplement, not supplant provision. The supplement, not supplant provision may not be waived by the state or by USDE.

52. Is there the possibility of some flexibility with the use of Title I Stimulus funds as related to supplement/supplant?

Supplement, Not Supplant may not be waived. Additional information on the Title I, Part A supplement, not supplant requirements can be found in the Title I Fiscal Guidance [available at <http://www.ed.gov/programs/titleiparta/fiscalguid.doc>].

COMPARABILITY

53. How will ARRA money affect comparability requirements under Title I?

The comparability of services requirement is a statutory fiscal requirement mandated in Public Law (P.L.) 107-110, section 1120A. The comparability fiscal test is a comparison of services provided with state and local funds in each Title I school to those in non-Title I schools.

According to P.L. 107-110, Section 1120A(c), a local education agency (LEA) may receive Title I, Part A funds only if it uses state and local funds to provide services at Title I, Part A campuses that are at least comparable to the services provided at campuses that are not receiving Title I, Part A funds. If all campuses in an LEA are Title I, Part A campuses, then the LEA must use state and local funds to provide services that are substantially comparable to each campus.

The comparability of services requirement applies to the use of State and Local funds, not federal funds.

54. Will annual comparability reporting include Title I stimulus funds?

All Title I, Part A rules and regulations apply to the ARRA funds, including annual comparability reporting.

Maintenance of Effort (MOE)

55. What is included in Maintenance of Effort (MOE)?

Maintenance of Effort (MOE) is a federal requirement that requires grant recipients to maintain a certain level of fiscal effort to be eligible for participation in federal grant funding. The TEA determines compliance with the MOE requirement through an analysis of the PEIMS financial and student data submitted by the LEA. The PEIMS data are used to determine the LEA's compliance based on total expenditures and expenditures per student.

56. Is MOE required for ARRA funds?

Yes, an LEA may receive funds only if it maintains fiscal effort.

57. Will ARRA funds be used to determine if an LEA maintained effort?

No. MOE applies to an LEA's expenditure of local and state funds to support its regular education program.

58. How will the MOE requirement be applied for the ARRA grant if it is only a two-year grant?

During the two-year grant period that the ARRA grant is in effect, the TEA will determine if the LEA maintained effort using the PEIMS midyear data submitted by the LEA. The 2006-2007 midyear data will be compared to the 2007-2008 midyear data to determine compliance for the 2008-2009 school year. Similarly, the 2007-2008 midyear data will be compared to the 2008-2009 midyear data to determine compliance for the 2009-2010 school year.

59. Will ARRA funds create an MOE issue?

Possibly, if the LEA allocates costs previously charged to local and state funds to the ARRA funds by more than ten percent of its total expenditures for the previous year, it may fail to comply with the MOE requirement.

Private Non-Profit (PNP) School Participation

60. How will ARRA impact private schools?

Private nonprofit schools are eligible to receive equitable services from Title I ARRA in the same manner as regular Title I. If a PNP school chooses to participate in the ARRA funds, the eligible staff and students at the PNP will have additional opportunities for services to meet their educational needs.

61. What effect does ARRA have on consultation with Private Schools?

LEAs that are applying for Title I ARRA funds must consult with officials from PNP schools prior to submission of the NCLB Consolidated Federal ARRA/Stimulus application. The PNP Affirmation has a new page that was added to accommodate consultation concerning ARRA.

62. Is a separate meeting with PNPs required for ARRA?

It depends; if the LEA has documentation that both the regular and ARRA programs were discussed, then no separate meeting is required.

However, if an LEA has already had its first meeting with PNP schools for regular Title I, Part A, but did not discuss Title I ARRA the PNP must be invited back to consult about the Title I ARRA funds.

63. Please clarify participation rules for PNPs.

The participation rules are the same as for Title I, Part A regular funds. Consultation must take place for the Title I ARRA funds, even if the PNP does not participate in regular Title I, Part A funds.

64. What if the PNPs elect to participate in ARRA/stimulus only?

A PNP can participate in Title I ARRA only. The amount of equitable services would be determined using the same method used for Title I, Part A regular funds.

REPORTING

All reporting requirements summarized below are based on early estimations outlined in USDE's initial guidance. USDE has released "Implementing Guidance for the Reports on Use of Funds Pursuant to the ARRA of 2009" on June 22, 2009, further delineating requirements of recipients of ARRA funds. This section will be updated as more information is available.

65. What are the quarterly reports going to look like as well as the compliance report? Public reporting requirements?

Section 1512 of the ARRA requires quarterly reporting. Although specific guidance has not been released on the requirements for LEAs, the LEA can expect to account for the total amount of the ARRA funds received and expended or obligated, the project name under which the expenditures have been made, a description of the project, an evaluation of the its completion status, and an estimate on the number of jobs that were created or saved with those funds. Each state entity receiving funds is required to post those amounts on its website as part of the process of ensuring transparency. The USDE will also be maintaining a website that

reflects this transparency. As TEA learns more about the exact reporting requirements and the format for reporting, LEAs will be notified.

66. Will there be a separate compliance report for the 2009-2010 Consolidated application and the 2009-2010 ARRA application?

Yes, there will be a separate compliance report for the Title I ARRA funds that will be similar in scope for regular Title I Part A funds, but it will address requirements and issues particular to the Title I ARRA funds.

67. How intense will the ARRA application compliance process be?

Compliance will be stringently monitored by the TEA, the Recovery Act Accountability Board, and the USDE's Office of Inspector General (OIG), as well as the Government Accountability Office (GAO). These formal entities are coordinating and conducting oversight of the spending of ARRA funds.

68. How often will LEAs need to report to TEA?

Currently it is in statute that an LEA receiving ARRA funds under Title I will release a school-by-school listing of per-pupil educational expenditures from state and local sources during the 2008-2009 school year by December 1, 2009 to TEA. In addition to that, it is prudent to expect LEAs to be required to report quarterly on their expenditures of ARRA funds; however, guidance has not yet been released by the USDE. The first quarterly report is due from TEA to the USDE by July 10, 2009, for the quarter ending June 30, 2009. LEAs will be notified as soon as additional guidance is received.

69. What things are required to be on the website to meet transparency expectations?

At a minimum the TEA and LEAs can expect to account for the total amount of the ARRA funds received and expended or obligated, the project name under which the expenditures have been made, a description of the project, an evaluation of the completion status, and an estimate on the number of jobs that were created or saved with those funds. TEA, as a direct recipient of ARRA funds, will be required to report on the www.federspending.gov website. LEAs will not be required to report on this website directly unless they receive funds directly from the USDE or other federal agency through the competitive grant process.

70. How often does the website need to be updated?

The recipients and uses of the funds are to be transparent to the public. It is expected that upon the initiation and completion of projects, information will be posted to the website as well as a quarterly update that coincides with the quarterly reporting. The state requirement is for data to be available for reporting ten (10) days after the quarter.

71. Will there be uniform templates so LEAs are covering what is needed in the same way?

The USDE is currently developing a common reporting form that will describe for states a streamlined quarterly process for reporting on the use of Title I ARRA funds.

72. Does LEA have to post to the website also?

There will be a single consolidated portal for reporting purposes located on the TEA website. Information gathered from the LEAs specific to ARRA funds will be posted on <http://www.tea.state.tx.us/arrastimulus/> to meet the requirements of the recovery initiative. The TEA and all LEAs receiving funds must maintain accurate, complete, and reliable documentation of all Title I, Part A ARRA expenditures and the uses of the funds must be available publicly on www.Recovery.gov and to auditors. However, according to information received thus far, only TEA will be required to report on these websites. The LEAs will not be required to report on these websites unless they receive competitive funds directly from a federal agency.

73. How will accountability and documentation be monitored?

Accountability and documentation of Title I ARRA fund usage will be similar to the current procedures and practices required of regular Title I, Part A funds with the addition of reporting requirements that fulfill the website accounting and quarterly reporting.

USES OF FUNDS

74. Will there be a list of allowable and non-allowable activities?

Title I, Part A funds must be expended for programs, activities, and strategies that are scientifically based on research and meet needs (identified in the campus' comprehensive needs assessment process) that are listed in the CIP.

All applicable requirements in the ESEA, the Title I, Part A regulations, other applicable laws and regulations, and Office of Management and Budget (OMB) circulars (such as OMB Circular A-87, and OMB Circular A-133) apply to the use of ARRA Title I, Part A funds.

All required district-level set-asides apply to Title I ARRA funds (unless a waiver is granted). While TEA anticipates that, due to LEAs striving to invest these funds in ways that avoid unsustainable continuing commitments after the funding expires, LEAs, may plan for higher than normal district-level initiatives, the LEA must allocate an appropriate amount of the Title I ARRA funding to campuses following the statutory allocation rules.

Funds may be used to increase the per-pupil amount allocated to each Title I, Part A campus or to serve new Title I, Part A, campuses. Regardless, a campus with a lower poverty percentage may not receive a higher per-pupil allocation than a campus with a higher poverty percentage.

Schoolwide Programs: On schoolwide program campuses, Title I, Part A funds may be used for activities that are part of the CIP to improve student performance and upgrade the entire educational program. Funds must be expended for allowable uses of funds based on the type of consolidation (full, federal, or Title I only) of funding the campus has chosen to implement on the Schoolwide campus. In a schoolwide program, the amount of Title I, Part A funding on the campus must be supplemental.

Targeted Assistance Programs: In targeted assistance schools, Title I, Part A funds may be used to meet the needs of children identified as being in the greatest need of services. Students must be selected using multiple, educationally related, objective criteria established by the LEA. In a targeted assistance program, the program, activity, or strategy must be supplemental.

Regardless of which type of Title I, Part A program the LEA operates, it is possible that some Title I, Part A administrative, professional development, parental involvement, or even instructional activities are conducted through the central office through districtwide Title I initiatives. The purpose of a Title I-funded district initiative is to reduce administration and overhead costs for activities implemented on all the Title I campuses or all Title I campuses within a grade span grouping. District initiatives funded by Title I must meet needs identified either by all the Title I campuses or all Title I campuses within a grade span grouping and provide the initiative activity/service to all the Title I campuses or all Title I campuses within a grade span grouping.

In implementing Title I district initiatives, there would be little variation in how the activity is implemented among all the Title I campuses or all Title I campuses within a grade span grouping.

USDE has provided the following Framing Questions for Decision Making.

In considering how to best spend *ARRA* funds, decision makers should consider whether they can answer "yes" to these five questions:

1. Drive results for students? Will the proposed use of funds drive improved results for students, including students in poverty, students with disabilities, and English language learners?
2. Increase capacity? Will the proposed use of funds increase educators' long-term capacity to improve results for students?
3. Accelerate reform? Will the proposed use of funds advance state, district, or school improvement plans and the reform goals encompassed in *ARRA*?
4. Avoid the cliff and improve productivity? Will the proposed use of funds avoid recurring costs that states, school systems, and schools are unprepared to assume when this funding ends? Given these economic times, will the proposed use serve as "bridge funding" to help transition to more effective and efficient approaches?
5. Foster continuous improvement? Will the proposed use of funds include approaches to measure and track implementation and results and create feedback loops to modify or discontinue strategies based on evidence?

The LEA must be able to respond appropriately to and maintain clear documentation for each of the following questions to determine whether an expenditure would be allowable:

1. How is the program, activity, or strategy reasonable and necessary to carry out the intent and purpose of the program?
2. How does the program, activity, or strategy address a need previously identified in the campus comprehensive needs assessment?
3. How is the program, activity, or strategy to be funded described in the campus or district improvement plan before the decision of whether to pay the expenditure from Title I, Part A funds?
4. How will the program, activity, or strategy be evaluated to measure a positive impact on student achievement?

5. If for a schoolwide campus, how will the program, activity, or strategy upgrade the entire educational program on the campus?
6. How is the program, activity, or strategy supplemental to other non-Federal programs? On a schoolwide program, the amount of Title I, Part A funding on the campus must be supplemental. On a targeted assistance program, the program, activity, or strategy must be supplemental. Are any rebuttals to the assumptions of supplanting clearly documented for auditors?

75. Will the same set-aside rules apply for the Title I ARRA funds as regular Title I Part A (parent involvement, PNP, 10% SIP Campus for Prof. Development, 5% for staff development)?

Generally, yes. The same requirements and set-asides that are applicable to Title I, Part A do apply to the Title I ARRA funds unless a waiver is granted in the future.

- If a Title I, Part A campus is identified for school improvement, at least 10 percent of the campus' Title I, Part A allocation must be expended for professional development that, among other requirements, directly addresses the academic achievement problem that caused the school to be identified (Section 1116(b)(3)(A)(iii)(I)). The 10 percent would be calculated based on the combined amount of a campus' Title I, Part A allocation and its Title I ARRA allocation.
- If an LEA is identified for improvement, 10 percent of the LEA's Title I, Part A allocation must be expended to address the professional development needs of the LEA's instructional staff (Section 1116(c)(7)(A)(iii)). The 10 percent would be calculated based on the combined amount of an LEA's Title I, Part A allocation and its Title I ARRA allocation.
- One percent of the LEA's combined entitlements must be set aside for parent involvement activities if the LEA receives more than \$500,000 under Title I, Part A (Section 1118(a)(3)(A)). This one percent would be calculated based on the combined amount of an LEA's Title I, Part A allocation and its Title I ARRA allocation. Statute further requires that 95% of this 1% set-aside be distributed to Title I campuses in addition to the campus allocations.
- An amount equal to at least 20 percent of the LEA's Title I, Part A, Subpart 2 allocation for choice-related transportation and supplemental educational services (SES), assuming there is sufficient demand for these services (Section 1116(b)(10)). The 20 percent would be calculated based on the combined amount of an LEA's Title I, Part A allocation and its Title I ARRA allocation.

It should be noted that the USDE has indicated that it will consider waivers in the future of one or more of the set-aside requirements. [The parental involvement set-aside cannot be waived.]

With regard to private non-profit schools, the LEA has the same obligation to consult with private school officials and to provide equitable services with the Title I ARRA funds as it has with the regular Title I, Part A funds. If one or more of the set-asides is waived, those funds must be included in calculating equitable services for private schools.

76. If an LEA has already decided to use Title I funds at the elementary campus, may the LEA use the Title I ARRA funds for a 9th grade campus in the fall 2009?

The LEA must follow statutory rules for campus selection and allocations. It depends on the LEA's ranking of campuses by the statutory rules. Please contact the Division of NCLB Program Coordination staff to discuss specifics.

77. What constraints will be part of ARRA?

All applicable requirements in the ESEA, the Title I, Part A regulations, other applicable laws and regulations, and OMB circulars apply to the use of Title I, Part A ARRA funds.

78. Can ARRA funds be used to fund a purchase/activity at the schoolwide campus and local funds used to fund the same purchase/activity at non-Title I schools?

No. This is the basic definition of supplanting.

79. Is hiring personnel an allowable expense? Sustainability versus jobs saved?

Yes, hiring allowable, supplemental Title I positions is allowable. However, the campus and LEA should address concerns that may be raised within the scope of sustainability of jobs/positions.

80. How do LEAs create new jobs?

The intent of the ARRA is to provide a unique opportunity to jump-start school reform as well as to save and create jobs, thereby stimulating the economy. LEAs may approach this with various responses, keeping in mind the sustainability issue and funding cliff.

81. Is there a percentage of funds recommended for personnel, knowing that the ARRA funds will disappear in 27 months?

No, the percentage of funds allocated for personnel should be based upon the needs of the Title I campus(es) as determined in the Comprehensive Needs Assessments. However, any expenditure of funds to create new positions or to prevent positions previously determined to be eliminated should be documented. Any positions funded must be supplemental and allowable under Title I. An LEA should clearly state that positions are funded for a two-year period if the funding source for these positions is dependent upon ARRA funds.

82. May an LEA offer incentive pay for teachers getting additional certification to assist with Highly Qualified?

Yes. An LEA must reserve at least 5% of its current-year entitlement, unless a lesser amount is sufficient to provide professional development activities, to ensure that Title I, Part A, teachers and paraprofessionals meet the requirements of 34 Code of Federal Regulations (CFR) 200.56 and 200.58. If a lesser amount or no reservation at all is needed, then an explanation is required which would include: 1) other fund sources are being used to meet the requirements; or 2) all teachers in the LEA are highly qualified.

Additionally, even if 100% of the teachers in the LEA have met the highly qualified requirements, the reservation of funds may be used to improve teachers' skills and effectiveness, assist teachers with obtaining additional certifications particularly in the areas of Special Education and ESL, and support the equitable distribution of qualified teachers across the LEA. These types of activities could be paid from either regular or ARRA Title I funds.

83. May an LEA spend ARRA funds on districtwide professional development for all campuses when one of their campuses is a non-Title I campus?

No. Title I ARRA funds may only be expended for Title I, Part A eligible activities on Title I-served campuses.

84. Can we use ARRA funds to pay for the speaker for the beginning of the school year?

This would need to be reviewed on a campus-by-campus basis. It would be allowable only if it is part of the campus' needs assessment and can be justified as it meeting the needs of Title I, Part A beneficiaries. In most cases, it is unlikely that this would constitute an allowable use of funds.

85. Can TEA give suggestions for research-based programs to purchase?

The TEA is not allowed to endorse specific programs for an LEA to purchase. Those decisions would be made by the LEA, based on a comprehensive needs assessment and research related to the programs being considered to supplement the LEA's foundation program. Issues such as validity and reliability of the studies that have been conducted are important to include in the analysis of programs.

USDE sources that can provide information on programs that are scientifically research-based can be located on the What Works Clearinghouse at <http://ies.ed.gov/ncee/wwc/> and Doing What Works at <http://dww.ed.gov/>.

The types of activities listed in Parts 4-15 of the Program Description Schedule PS3111 serve as examples of allowable uses of the funds that align to the goals of ARRA and the state's priorities for education, as long as they are meeting needs identified by the campus and are supplemental to state or local requirements.

86. May the funding be used for incentives for parents to attend meetings or parent trainings?

The rules are the same as those for the Title I, Part A regular funds. In the OMB Circular A-87, food costs are allowable to encourage parents in low-income areas to attend parent involvement activities; awards for recognition or incentives for participation are allowable when reasonable in cost and when necessary to accomplish program objectives. This could include certificates, plaques, ribbons and small trophies nominal in cost, or inexpensive, instructionally related items such as pens or pencils.

87. If an LEA does not receive PK grant monies could this money hire PK teachers?

This could be an allowable cost as long as the LEA can document the need in the Title I campus needs assessment and can show that the positions are supplemental.

However, the LEA should take into consideration the two-year timeframe in which these funds will be available and plan how such a program could be continued after the ARRA funds expire.

88. If Pre-K is already at full-day, what other enhancements are allowable?

Supplemental staff could be hired to provide specialized reading readiness or math readiness programs. Age-appropriate supplemental instructional materials could be purchased. Refer to Program Schedule 3111 in the application for funding for other possible allowable activities.

89. May we use funds on technology lab or software?

Yes, if there is a documented need in the Title I campus needs assessment and it is supplemental to the program, then funds can be used for the purchase. Title I ARRA funds may be used to enhance technology labs that increase learning. When purchasing software, alignment of the software to an identified need of the campus as well as to a core reform is a key guideline to follow.

90. May Title I A funds be used to upgrade infrastructure to support technology at Title I School-wide campuses?

This depends. If for example an LEA is re-wiring the entire LEA so that in a couple of years the LEA can upgrade technology, then no. If the LEA buys computers for Title I campuses and must also re-wire so the computers may work, then this may be a possibility. Please contact the Division of NCLB Program Coordination staff to discuss specifics.

91. In addition to computers, is the purchase of servers allowed – especially when servers are needed to support the amount of technology programs purchased from Title I?

A server might be a viable purchase; however, there must be a documented need and since this would be an LEA purchase all schools must be Title I, Part A-served or the server may only be used by Title I, Part A-served campuses.

92. An LEA with all campuses identified as schoolwide would like to purchase a voice-over IP system (phone). Would this be an allowable use if it was identified in the comprehensive needs assessment and listed in the campus improvement plans?

It must meet an identified need; must be reasonable and necessary; must be supplemental; and it should meet one of the activities listed on PS3111 - Parts 4-15 of the NCLB Consolidated Federal ARRA/Stimulus Grant application..

93. What are the tracking requirements for items purchased with this money that are not fixed assets. Does every book, teaching kit, etc. need to be labeled and tracked individually?

The LEA must follow its standard inventory procedures and ensure that any capital outlay items purchased under class object code 6600 are appropriately included in the LEA's inventory of equipment. All expenditures with these Title I ARRA funds must be tracked separately in order to meet the federal reporting requirements for accountability and transparency of the uses of the funds. At this time, USDE has not released the reporting requirements.

94. How does capital outlay apply?

The purchase of capital outlay must meet a need identified in the Title I comprehensive needs assessment and should be aligned to one of the activities on PS3111 – Parts 4-15 of the NCLB Consolidated Federal ARRA/Stimulus Grant application.

95. May science labs be enhanced with ARRA funds?

Funds may be used to supplement science labs that enhance learning. This must be an identified need in the Title I comprehensive needs assessment and should be aligned to one of the activities on PS3111 –Parts 4-15 of the NCLB Consolidated Federal ARRA/Stimulus Grant application.

96. May Title I ARRA funds be used for renovation and building?

Title I ARRA funds may not be expended for construction, modernization, renovation, or repair.

97. May an LEA enhance (expand) existing buildings for Pre-K?

Title I ARRA funds may not be expended for construction, modernization, renovation, or repair. However, if the expansion includes the purchase of a portable building, the portable building is a piece of equipment, not real property and is a permissible use of Title I, Part A funds. Items such as wiring, for example, that makes a building operational are considered part of the equipment.

98. May Title I ARRA funds continue the program previously funded under a Reading First grant?

Yes, as long as the program remains supplemental to the basic education program and is identified in the Title I comprehensive needs assessment.

99. May Title I ARRA funds be used to pay for curriculum management systems?

Such systems may be an allowable expenditure with Title I ARRA funds provided that they are supplemental to the core curriculum and other activities required to be implemented under state law, SBOE or Commissioner rule, or local board policy. A district that has already implemented curriculum management systems using state or local funds may not now use federal funds to pay for the system, as this would cause a supplant for the district. In addition, a district that uses the curriculum management system as their core curriculum, required under the Texas Education Code (TEC), may not use federal funds to pay for the system, as this would cause a supplant for the district.

Districts that are using only certain modules of a curriculum management system, such as a professional development module or modules designed for special needs students, may be able to demonstrate that the use of these funds is supplemental, provided the modules are priced and purchased individually, and provided all other conditions pertaining to supplement, not supplant are met.

In any case, the curricular management system must be supplemental and meet the identified needs of Title I served campus(es).

100. Would it be allowable to use the ARRA funds to reduce class size?

Yes, as long as the positions are supplemental to the basic education program and are identified in the Title I comprehensive needs assessment.

101. Where can we access a list of innovative options/ideas that could be effective in closing achievement gaps?

USDE recently published a fact sheet on the ed.gov website entitled *Using ARRA Funds to Drive School Reform and Improvement*. The document includes examples of potential uses of funds as well as some "framing questions for decision making". Other sources include the What Works Clearinghouse at <http://ies.ed.gov/ncee/wwc/> and Doing What Works at <http://dww.ed.gov/>.