

SECTION 3: FINANCIAL STEWARDSHIP



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Section Snapshot


This section provides an explanation of how resources can support strong planning with basic resource flows, braiding and blending of funds, and detailed information about the required Integrated Planning and Budget.

HIGHER QUALITY SPENDING

Good financial stewardship relates to how well resources are used for purpose and impact. Ensuring resources are appropriately, effectively, and efficiently utilized to produce successful outcomes and experiences for students is at the core of what it means to be accountable. The information in this section aims to improve understanding for the best ways to utilize funding.

FUNDING BASICS

The following table provides a state-level picture of the funding for each program where funds are available for grantees. Specific allocations for each district, school, or grantee are provided at regular intervals tied to legislative decision-making and adjusting for changes in ADMw⁴⁵. Preliminary allocation estimates for each funding stream are shared in May of each year and are posted on the [Innovation and Improvement webpage](#).⁴⁶ A more detailed chart of allowable uses tied to each program is available in the Program-by-Program Details resource.

Fund Source	Statewide Total for 23-25	Allocation Calculation	Allocation Method ⁴⁸	Administrative Costs ⁴⁹	Timelines for Spending
HSS	\$324,878,657.00	Based on Second Period extended ADMw; calculated annually	Disbursement 	Limited to 4 percent of the grantee's total allocation.	Annual funding available July 1 - June 30. Funds not spent in year 1 of the biennium can roll over to year 2 of biennium.

⁴⁵ See ORS See [ORS 327.013](#) for what constitutes ADMw.

⁴⁶ See [Budgeting with a Shortfall](#) for details on program grant formulas.

⁴⁷ Resource totals for the 25-27 Biennium can be estimated in Jan-March of 2025 and are usually set at the end of the Legislative Session on odd years, the next being June 2025.

⁴⁸ There are two allocation methods, both described in the glossary. In short, disbursement allows for an EGMS claim to receive a percentage of funds in advance of expenditure where reimbursement is when claims are made following expenditure.

⁴⁹ Administrative costs can include Indirect or Direct costs and depends on the allowability of each program. Please see the Program by Program Details appendix for further information.

Fund Source	Statewide Total for 23-25	Allocation Calculation	Allocation Method ⁴⁸	Administrative Costs ⁴⁹	Timelines for Spending
SIA	\$1,087,178,997.00	Based on Second Period extended ADMw; calculated annually	Disbursement	Limited to 5 percent of the total expenditures or \$500,000, whichever is less. Any administrative costs incurred by a participating charter school must be accounted for within the sponsoring school district's overall limit of 5 percent or \$500,000, whichever is less.	Annual funding available July 1 - September 30 in year 1, and July 1 - June 30 in year 2.
Early Literacy	\$90,567,594.00	Based on Second Period extended ADMw; calculated annually	Disbursement	Limited to 5 percent of the total expenditures.	Annual funding available July 1 - June 30.
EDM	\$7,035,741.00	While EDM does not provide grants to individual school districts, a portion of these funds is distributed to all 19 ESDs to support the work throughout the region; the remaining funds are disbursed through grants to community partners.			
EIIS	\$3,803,821.00	Based on Second Period ADMr, calculated annually	Reimbursement	No Administrative Costs Allowed.	Annual funding available July 1 - June 30.
Perkins V	\$12,000,000.00	Based on US Census data of ages 5-17 students and poverty rates, calculated annually	Reimbursement	Limited to 5 percent of the grantee's total allocation.	Annual funding available July 1 - September 30.
Federal School Improvement Funds⁵⁰	\$22,000,000.00	Formula based on districts serving high numbers or percentages of identified schools.	Reimbursement	(Direct Admin only) Limited to 5 percent of the grantee's total allocation.	Annual funding available July 1 - September 30.

EARLY LITERACY SUCCESS SCHOOL DISTRICT GRANTS MATCH⁵¹

The Early Literacy Success School District Grants require a match of at least 25% of each district's total allocation. This match can be from any fund source, including Federal Title Funds, State School Funds, or any other funding source available to the applicant. Applicants will be required to report the matching fund source in their application.

Matching funds can be used broadly to support literacy across pre-kindergarten through 3rd grade.

⁵⁰ Formally ESSA Partnership Funds

⁵¹ Applicants with an ADMw of 50 or less are exempt from the matching requirement.

SUBMITTING CLAIMS

While ODE works towards alignment of these programs, there are some structures that will remain unchanged:

- Financial claims will operate on a different calendar than the submission of expenditure reports.
- Claims will be submitted by the fiscal agent listed on the grant agreement.
- If you are operating as a district sponsored charter or in an Aligned Program Consortium, then funding will be expended or disbursed according to the agreed upon conditions set forth in your District Charter Program Agreement or Memorandum of Understanding.

Taking into account the time for grantees to continuously submit claims, ODE proposes all fiscal agents submit their claims during the following designated windows for either reimbursement or disbursement:

DISBURSEMENT

Applicable Grant Programs	Claim Window	Available Amount to Claim
Student Investment Account Early Literacy High School Success	July 1- July 30	25% of allocation
	October 1- October 30	25% of allocation (up to 50% total)
	January 1- January 30	25% of allocation (up to 75% total)
	April 1- April 30	25% of allocation (up to 100%)

REIMBURSEMENT⁵²

Applicable Grant Programs	Recommended Claim Window	Available Amount to Claim
Early Indicator and Intervention Systems (EIS) Perkins V⁵³ Federal School Improvement (FSI)	Quarterly throughout the Performance Period	Prior to October 1, only 20% of the Perkins V allocation will be available to claim No cap on claim amount for EIS or FSI
	October 1- October 30	No cap on claim amount
	January 1- January 30	No cap on claim amount
	April 1- April 30	No cap on claim amount

BRAIDING AND BLENDING FUNDING

Combining funds from various program sources is a strategy that can ensure consistency, eliminate duplication of services, and allow recipients to strategically direct funding allocations. Commonly referenced as the “blending and braiding of funds,” and often utilized in reference to leveraging both federal and state funds, this approach helps to ensure maximum benefit to students and flexibility to recipients.

The starting point to braiding and blending funding is to have a clear plan with clear outcomes and strategies. Recipients can then strategize ways to meet their plan’s needs through the programs in this guidance alongside other existing resources and through the development or use of new or community resources, as well.

⁵² Reimbursement claims will continue to be reviewed and approved on a rolling basis; however, ODE encourages fiscal agents to claim larger amounts of funding less frequently.

⁵³ Perkins funds will be administered by the consortia fiscal agents for member districts.

UNDERSTANDING AND NAVIGATING SUPPLEMENT AND SUPPLANT

Both federal and state laws speak to distinctions between when a fund source (a grant program) is allowed to supplant, meaning replace a prior existing use of a different fund source, versus where a fund source is only allowed to supplement, meaning it comes in addition to and is expected to be used in addition to existing resources. There are important legal and technical distinctions that both ODE and each district is required to adhere to and this explanation should not be seen as legal advice or counsel.

Federal funds allocated through Federal School Improvement, ESSA Title Programs, IDEA, and the Perkins Act (CTE) are governed by a “supplement not supplant” provision. This should not prohibit districts from administering the activities that enhance student learning and are aligned to district goals. Districts must show that federal funds do not replace state and local funding when administering.

High School Success is a state program and funding source that also contains a supplement not supplant provision. ORS 327.874 states: *A school district must use the amount apportioned under ORS 327.859 to establish or expand programs, opportunities and strategies under ORS 327.865, 327.868 and 327.871 and may not use the amount apportioned to maintain programs, opportunities and strategies established prior to December 8, 2016, except when a use is necessary to replace the loss or expiration of time-limited grants or federal funds.*

The **Student Investment Account, Early Indicator and Intervention Systems, and the Early Literacy Success School District Grants** do not contain a provision speaking to supplementing or supplanting.

RELEVANT RESOURCES

There are several other useful documents produced by ODE and other entities that can provide insight into both technical and strategic aspects of leveraging multiple sources of funds, including:

- Appendices A, B, and C of the [ESSA Oregon Guide](#) (2020)
- [ESSA Quick Reference Brief: Supplement not Supplant](#)
- [ODE Summer Learning Best Practice Guide](#) starting on page 29
- [Financing Community Schools, a Companion Brief to the Community Schools Playbook](#) - Pages 14-34
- [Budgeting with a Shortfall](#)

FINANCIAL STEWARDSHIP OPPORTUNITIES WITHIN BUDGETING AND PLANNING PROCESSES

ODE highly recommends increased collegiality and collaboration between business officers, administrators, building leaders, educators, and District Equity Committee representatives. District Equity Committees can be a powerful mechanism in the budgeting process as they provide an opportunity to give voice to budget priorities centered around focal student and community needs. As budget committees convene, it is important to note that at least one member of the District Equity Committee must also serve on the budget committee⁵⁴. Throughout the budgeting process, there are opportunities to bring in multiple perspectives to improve understanding of district decision-making, allocation of funds, and how program priorities are established.

The processes outlined in this guidance are aligned with budget best practices and the [Local Budgeting Manual](#) published by the Oregon Department of Revenue.

⁵⁴ According to ORS 328.542, a budget committee is not required to include a member of the DEC until a vacancy on the budget committee occurs.

TIERED PLANNING

Tiered Planning refers to an applicant's approach to proactively anticipate and consider modifications to their planned activities and expenditures as a result of workforce shortages, increase in funding, reduction in funding, or other scenarios where initial activities may require adjustment. **This is one of the best approaches to avoid having to make significant plan amendments within a year or biennium, as it takes into account the important process requirements in planning while offering flexibility based on changing conditions.** When executed well, tiered planning increases the ability of the applicant to be nimble in their implementation and move quickly to address shifts or gaps in implementation due to unforeseen scenarios. It creates conditions for applicants to respond well to change, and maintain focus on the intended outcomes of these investments.

Tiered planning can be difficult to implement as you cannot necessarily trade activity for activity due to specific statutory requirements. If, for example, an activity that uses HSS funding is no longer able to be completed and needs to be replaced with another activity the recipient should work with the ODE team to ensure that the replacement activity, while already approved within the larger scope of the investment, still meets HSS spending requirements set by statute. Tiered planning allows for faster changes to plans but still necessitates a touch point with ODE staff to implement.

Any tiered planning expenses should go in the 25-27 "Additional and Tiered Planning" smartsheet link on your RAD that will open during the March-April 2025 application window.

INTEGRATED PLANNING AND BUDGET SMARTSHEET

For the 25-27 biennium, the Integrated Planning and Budget will no longer be a separate excel document. The structure has not changed but the information has been moved into smartsheet links. You will receive links in your RAD to complete the following planning and budget requirements for your application:

- Outcomes and Strategies Planning
- 25-26 Budget
- 26-27 Budget
- 25-27 Additional and Tiered Planning
- 27-29 Quarter 1 Budget
- Early Literacy Inventory
- Early Literacy Allowable Use Descriptions