IMPLEMENTING WITH A BUDGET SHORTFALL

SUPPLEMENTAL INTEGRATED GUIDANCE

2022

OREGON
DEPARTMENT OF
EDUCATION

Oregon achieves . . . together!

TABLE OF CONTENTS

IMPLEMENTING WITH A BUDGET SHORTFALL
Supplemental Integrated Guidance

Allocations made under these six programs will change from year to year as the district or school's population changes, or in response to other factors outlined below. Given the timelines for planning and engagement, applicants may end up in a position of having done thorough and high quality community engagement and other planning without a final allocation amount in place, which can result in disappointment or feelings of distrust from the community when their priorities are not implemented. This guidance is intended to help applicants understand why their allocations might change, and guide them through decision-making processes in the wake of a decreased allocation.

For example, take the case of a hypothetical district who, anticipating several million dollars of new funding, does a fantastic and thorough job of initially engaging community members, including gathering leaders from different communities of color and focal student groups, and leads them through an extensive visioning process about what education in the district might look like with the new influx of funds. Their community is really feeling listened to, understood, and respected. Separately, the district's budget manager realizes that the district is in fact facing a budget shortfall. Without careful management and continued engagement, the district might decide to use some of the money to backfill the shortfall instead of implementing any of the community suggestions. While this might (with attention to the process requirements inherent in each of the programs) be the correct decision for that district, without engagement and communication the community may come away from the experience feeling shortchanged and with greater reluctance to contribute their time and experience going forward.

In this document, you will find:

- an introductory overview of ADM definitions and calculations
- an explanation of how allocations for each integrated program are determined, and when or why they may change
- a discussion of community engagement in expectation of a budget shortfall, including shifting implementation in response to a budget shortfall
- ODE's recommendations of what to do and what to avoid when engaging around a budget shortfall
- a guide to decision-making in expectation of a budget shortfall, including guidance to mitigate the impact of shortfalls.

HOW CAN I TELL IF I WILL HAVE A BUDGET SHORTFALL?

High School Success (HSS), Student Investment Account (SIA) and Early Indicator and Intervention Systems (EIIS) allocations are all calculated based on ADM. In order to understand how an allocation is determined, it is important to understand what the different calculations of ADM are, and how they are determined.

WHAT IS ADM?

Average Daily Membership, or ADM, is a measure of the total enrollment in a school or district over a specified time period. ADM is a broader term that refers to both the enrollment calculations and the main data collection used to make these calculations, while ADMr and ADMw represent specific calculations of ADM.

ADMr (unweighted ADM) reflects the number of students enrolled, where 1.0 ADMr is equivalent to a single student enrolled full-time for the entire period. Less ADMr is accrued when students are enrolled for only a portion of the time period, or when they are enrolled in non-standard program types for less than the full-time equivalent number of hours. Recipients may not accrue more than 1.0 total ADMr per student served. Full calculation details for ADMr are available in this guidance document. ADMr is often used for allocations that are intended to scale with per-pupil costs, such as the cost of a student information system.

ADMw begins with ADMr, but is then increased based on the populations served by a district, such as students in ESL or Pregnant and Parenting programs, students served through IEPs, the estimated poverty within the district's boundaries, and adjustments for small or remote schools. For full details on how your ADMw was calculated, see the frequently updated ADMw Calculations (select the latest ADMw file) prov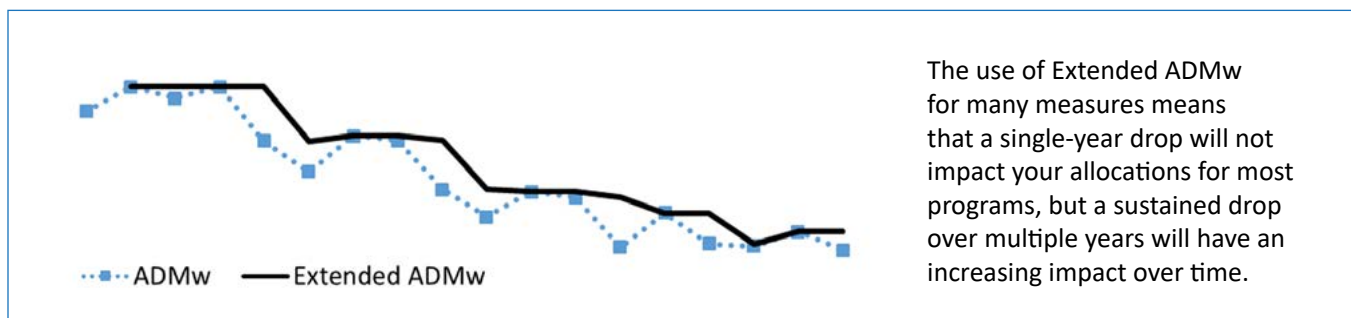ided by the Office of Finance and Information Technology's School Finance Unit. ADMw is often used for allocations that are intended to scale with the varying costs of providing supports and other services to the student body as a whole.

Extended ADMw is the greater of the current or prior year's ADMw total for each district. ODE uses extended ADMw for many funding streams in order to provide less variable allocations and minimize the impact of temporary disruptions. For example, when a district experiences a sudden drop in enrollment, the use of Extended ADMw allows them to be funded based on the prior year's ADMw rather than the current year's, which allows more time to adjust to the impact of declining enrollment.

The chart below, showing Extended ADMw for a simulated district with a trend of varied but overall declining enrollment, demonstrates the smoothing effect of using Extended ADMw rather than ADMw as a basis for allocations.

Other resources that may be helpful include your district's SSF Allocations (select the latest "District Estimate" file), which are based on Extended ADMw, but adjusted for other factors such as local revenue, transportation, and teacher experience.

HSS and SIA use the Second Period Cumulative ADM data collection, reflecting data for the first half (July through December) of each school year, which is collected, cleaned, verified, and finalized January through May. Note that SSF uses the Annual Cumulative ADM data collection in its final reconciliation, although it also uses Second Period Cumulative ADM in the first reconciliation of each school year. The Annual Cumulative ADM data collection reflects data throughout the school year, but is finalized too late in the year to be used for HSS and SIA grantmaking.

The use of Extended ADMw for many measures means that a single-year drop will not impact your allocations for most programs, but a sustained drop over multiple years will have an increasing impact over time.

HOW ARE ALLOCATION AMOUNTS DETERMINED FOR EACH PROGRAM?

The majority of the allocations for the six programs that form the integrated guidance are based on Second Period Extended ADMw, but other methods are used as well. Second Period and Annual ADMw are also used as the basis for determining a district/charter school's state school fund (SSF) allocation, though SSF allocations are also adjusted for other factors such as local revenue and transportation costs.

High School Success (HSS) and Student Investment Account (SIA) allocations are made by dividing the total amount available for funding proportionately among recipients based on their Second Period Extended ADMw. Because of this, increases in the ADMw of other recipients can result in a decrease in funding to recipients whose enrollment remained constant or grew less slowly, as well as to those recipients whose enrollment declined.
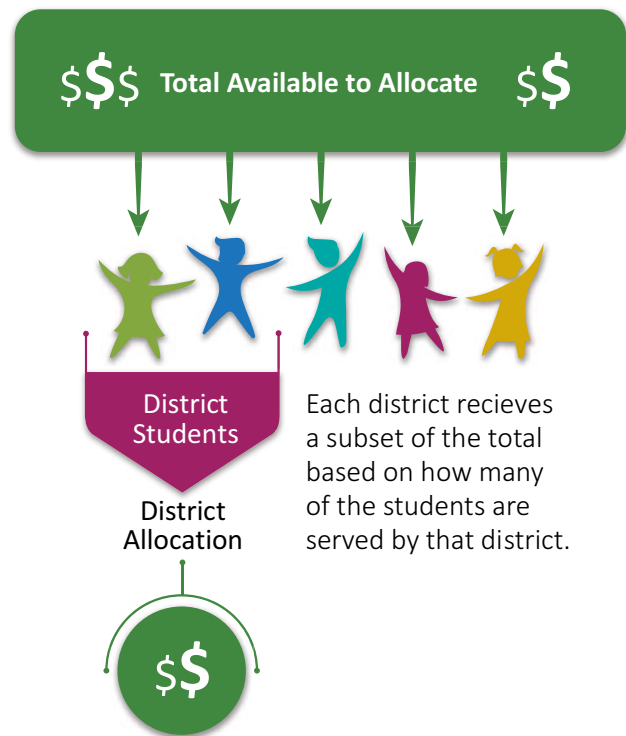
> HSS and SIA use Extended ADMw for their Allocations, which is the higher of the current estimated ADMw or the prior year's ADMw.

Early Indicator and Intervention Systems (EIIS) allocations are based on a fixed dollar amount ($3) per ADMr, which is different from and generally lower than ADMw. Because the dollar amount for this grant is fixed, EIIS funding for a given recipient is not impacted by changes to the ADMr of other recipients.

Career and Technical Education (Perkins) allocations are based on US census data (Small Area Income and Poverty Estimates (SAIPE)). Like SIA and HSS grants, the total amount to be distributed to school districts is divided among eligible subgrantees (consortia) based on the number of 5-17 year olds, and the number of 5-17 year olds in families below the poverty line, who reside in each district. A separate allocation calculation is made for YCEPs. Oregon's overall Perkins funding is also impacted by the number of children described above.

ESSA Partnership Grants are funded by making adjustments to Title IA funding allocations for CSI/TSI schools.

PROPORTIONAL ALLOCATION

$$\$ \$\$ \text{ Total Available to Allocate } \$\$$$

District Students

District Allocation

Each district recieves a subset of the total based on how many of the students are served by that district.

WHAT FACTORS IMPACT MY ALLOCATION?

It's important to understand that many overlapping factors are at play in determining the allocation amounts. For example, while increased enrollment generally results in higher ADMr and ADMw values, it may not result in increased allocations if other factors outweigh the impact, such as increased enrollment in other districts, or a decrease in enrollment for specific populations.

- **Total enrollment within your district:** if your district serves more students, in general this may result in an increase to your ADMr and ADMw, which may result in an increase to your SIA, EIIS, HSS, and SSF allocations. Enrollment may change significantly from year-to-year with the opening or closure of charter schools drawing students from beyond the district's boundaries.

- **Changing program types and mobility:** if your district enrolls more students on part-time or instructional hours-based program types, or experiences higher student mobility

(resulting in shorter enrollment lengths), this can result in a decrease to your ADMr and ADMw, which can result in a decrease to your SIA, EIIS, HSS, and SSF allocations.

- **Changing demographic makeup:** if your district serves fewer students in the weighted student groups, including students on IEPs and students in ESL or Pregnant and Parenting programs, this can result in a decrease to your ADMw, which can result in a decrease to your SIA, HSS, and SSF allocations. If the Census Bureau estimates that fewer families in your district are in poverty, this can result in a decrease to your Perkins allocation, as well as a decrease to your ADMw (which also uses SAIPE estimates to form the poverty weight). Note that SIA allocations use double weighting for poverty estimates (relative to SSF and HSS), so changes in SAIPE poverty estimates can have a larger impact on SIA allocations than on other allocations.[1]

- **Data collection and reporting:** if your district submits inaccurate data or fails to complete required data submissions, this can result in inaccurate ADMr and ADMw estimates that impact your allocations. Be sure to complete all required data submissions, including Cumulative ADM, Staff Position, and the Special Education Child Count, and to review any related audits and validations promptly.

- **Enrollment in other districts:** Perkins, HSS, SIA, and SSF use zero-sum allocation methods, meaning that your allocation may decrease if the total ADMw or child population in other districts increases faster than in your district.

- **Legislative action:** state and federal legislation may impact your allocations in a number of ways, including by changing the total amount available for any of these programs to allocate, or by adding or removing grant programs such as wildfire relief or pandemic relief funding. Legislative funding is often based on current service level (CSL) estimates, which represent an inflation-adjusted amount needed for schools and districts to continue to provide their current services, but may vary from that figure based on other considerations.

HOW CAN I PREDICT IF I WILL EXPERIENCE A DECREASE IN MY ALLOCATION?

By paying attention to trends in the data available to districts, schools, and the public, you can see some data that may help indicate what to expect for future allocations. For example, estimates are released regularly by the Office of School Finance. Note that it is not possible to precisely calculate what your allocation will be without access to the entire state's data.

Pay attention to trends in your data. The use of Extended ADMw for many measures means that a single-year drop will not impact your allocations for most programs, but a sustained drop over multiple years will have an increasing impact over time. Even though a single-year decrease in ADMw may not impact your allocations for this year, keep in mind how it may impact you next year, when the prior year's ADMw, which may be a larger amount of ADMw, is no longer part of your district's calculations.

While they do not encompass all of the factors included in ADMw, enrollment reports may be a good source of information about trends statewide and in other districts.

In general, due to the amount of time needed to clean and verify enrollment data, allocations are made based on prior years of enrollment. For example, 2021-23 SIA estimates used data from the 2020-21 Second Period Cumulative ADM Collection, reflecting enrollment occurring between July 1, 2020 and December 31, 2020. Second Period data are typically finalized in May/June of each year, for the current school year (so 2020-21 Second Period Cumulative ADM data would be finalized in May/June 2021). SIA allocations for the 2022-23 plan year will be updated from the estimates to reflect more recent ADM data.

Unlike the other programs, SIA allocations use a funding floor of 50 ADMw for districts, meaning that if you are a district and your current ADMw is below 50, you will not experience any decrease in your SIA allocation due to enrollment decreases within your district. Your allocation may still be impacted by enrollment changes statewide or by legislative action, or by increases above 50 ADMw in your own district. This funding floor does not apply to charters, YCEPs, or JDEPs.

---

[1]   ORS 327.195 (1)(b)(A)

UNDERSTANDING PRELIMINARY ALLOCATIONS FOR BUDGETING

ODE provides districts and grantees a "preliminary allocation" projection often months or even a year before grant agreements are signed for programs like the SIA and HSS. These projections are released in support of and in response to business managers' and superintendents' requests but also come with important caveats. It projects what resources could be available in a future biennium based on the most recent Extended ADMw estimates. That said, final grant allocations are tied to potential budget changes by the legislature and as a result of the updated Cumulative ADM collection (in the case of SIA and HSS). The first projection should be used as a general guide and will be different than your final allocation. Applicants can balance what they see in the projection with their own internal sense of enrollment and other factors outlined above to help the community and their planning team have as firm a projection as possible until allocations finalize.

WHEN WILL I KNOW IF MY ALLOCATION HAS DECREASED?

SSF issues monthly payments, shown in the district warrants. These payments are based on estimates updated in July, October, February, March, and May[2], or when there are material systemic changes. Once these estimates are received by the Office of Education Innovation and Improvement (EII), we then calculate the allocations for each program. EII issues estimated annual allocations for programs between March-April and releases final allocations in June of each year, using the May SSF estimates.

For the 2021-23 biennium SIA released estimated allocations for both years in March 2021 and HSS released annual estimates in April. These allocations are updated for late changes to the underlying data, but typically do not change substantially for most districts. If, based on the data points outlined above, an applicant expects to see a reduction in their final allocation numbers, applicants may wish to use the tiered planning process to design a budget that is flexible for any reductions that may be necessary.

---

2   May estimates also include reconciliation from the prior year. This process adjusts the prior year's estimates to account for newly available Annual ADM data (covering the full school year of enrollment), and may result in a negative adjustment if the reconciliation reveals that there was an overpayment in the prior year. More information can be found in the State School Fund Distribution Report produced by the Legislative Revenue Office.

COMMUNITY ENGAGEMENT IN EXPECTATION OF A BUDGET SHORTFALL

ENGAGING WITH COMMUNITY

A budget shortfall most likely will affect the implementation and prioritization of needs and suggestions offered by the community. In the ODE Integrated Guidance, we outline the importance of having ongoing community engagement in the everyday operations of applicants, not just the plan development and approval. Districts need simultaneous input from communities on where to focus new investment and on what investments to prioritize and protect during a budget shortfall. This should be part of each engagement process.

Viewing community engagement as an ongoing process instead of an event (or a state requirement) is essential and will allow for space to discuss with your community the need to make shifts in planned priorities due to a budget shortfall. We encourage all recipients to review the Integrated Guidance, Appendix A: Community Engagement Toolkit, which outlines strategies and practices to deepen and develop a more robust community engagement beyond the minimum statutory requirements. This ongoing community engagement is necessary to fully realize the core goals and strategies in the integrated plans and include the community in the process of naming new or shifted priorities if there is a decrease in grant allocations.

Applicants, alongside their community, are encouraged to review what is currently in place to support student success and discuss what is going well and what might not be meeting the needs of staff, students, and families. During this time, applicants and the community should consider what strategies and goals are driving the outcomes while re-evaluating current implementation of activities and spending for all six initiatives.

Applicants should be intentional in integrating ongoing community engagement into budget planning and consider tokens of appreciation as an example of reciprocity you can offer that indicate to community members that you appreciate them. The time, energy, and effort community members from focal groups dedicate are significant and generous and provide valuable input. In some districts, we have learned that offering transportation, childcare and/or communal meals have supported in honoring the time and input that community members are sharing.

> ### INITIAL COMMUNITY ENGAGEMENT
>
> Ensure your community understands that the numbers you are using to budget and plan are a preliminary allocation, and that final allocations will come at a later date. Share and communicate tiered planning so that your community knows what to expect in the event of additional budget changes, and what may be added, protected, or reduced. It is important that your community has a full picture of other budgetary considerations that you will need to factor into your planning in anticipation of your final allocation.

Setting up a systematic structure ensures no focal group or community is ignored in the process of ongoing community engagement and plan development and implementation. We recommend monitoring demographics in your community, particularly student group trends that might impact the makeup of your community, not only because they may affect your ADMw, but also to ensure that your community engagement continues to reflect all the voices within your community.

IMPLEMENTATION SHIFTS: ADDING, REMOVING, AND PAUSING

Always design and ask about the "after-action" of decisions and ensure that a key person or group is responsible for follow-through with keeping the core promises you've made as a partner with the community. This is especially true for groups who have historically had limited opportunities to engage. Applicants are encouraged to lean into their Tiered Budgeting when considering implementation shifts. Please refer to page 97 of the Community Engagement Toolkit for some helpful questions to consider to guide your commitment to your community.

To support a robust engagement process and good stewardship of the funding throughout the biennium, applicants should ensure they are sharing the following with their communities. Below are ODE recommendations of what to do and what to avoid:

What to Do	What to Avoid
- Share with your community how community input helped guide how the original plan was adjusted and the process for creating a reduced funding plan. - Post shifts from the original plan to reduced funding plan on your website, and share at a board meeting with the opportunity for public comment. - Provide information using plain language so it can be easy to understand and process. - Create opportunities for ongoing feedback and input from your community. (i.e. surveys, public meetings, mailing, phone calls). - Consider how to ensure all community members can participate in engagement events; for example, by providing childcare or food, or by offering multiple meeting times to accommodate varied schedules. - Share next steps for incorporating feedback and how the plan may shift due to community input. - Share and communicate tiered planning so that your community knows what to expect in the event of additional budget changes going forward.	- Avoid assuming your community and staff knows that there is or will be a reduction in funding - communicate clearly and proactively. - Avoid withholding information from your community. - Avoid using language that is not easily understood by people outside the education field. - Avoid language that places the responsibility for the budget shortfall on specific groups or the community as a whole. - Avoid equating allocations with the overall value of education in your community. Make sure your students know they are valued regardless of funding.

DECISION-MAKING IN EXPECTATION OF A BUDGET SHORTFALL

When grantees are experiencing a projected budget shortfall, it is important to follow the Community Engagement and processes outlined in the Integrated Guidance to evaluate the top priorities raised by your community and identify which outcomes, strategies and activities can be preserved in spite of a reduction in funding. Once these top priorities have been identified, business managers can assess how a reduction in funding may have different short term and long term impacts on the plan and community depending on the type of expenditure and the stipulations of the grant being used to fund it. For more information, please reference Appendix H of the Integrated Guidance that calls out Allowable Uses.

IMPACT ON DIFFERENT EXPENDITURES

While in the budget planning stage it may be helpful to consider what will happen to specific expenditures if you are not able to continue funding them. Please note, all of the below expenditures are allowable under different grant funds listed in the integrated guidance. However, it may be relevant to consider the impact on these activities if interrupted due to a lack of grant funding.

- **Capital expenditures:** Consider the continued funding of in-process improvements that can account for a large portion of your grant funding or delays in contracts that may push your final bill date outside the period of performance for the grant agreement, making the cost unallowable.
- **Equipment purchases and maintenance:** Consider long-term costs of deferred maintenance for pieces of equipment that are purchased through special grant funds that might expire or be reduced and therefore become a cost that the general fund would need to absorb.
- **Salaries and benefits:** Consider the sustainability of hiring with funds that may be limited and the short term and long term impact that the sudden reduction of that position would have on both the classroom and the individual who was hired. It may be helpful to think of alternative strategies to provide a solution to the same problem that doesn't require a full time position.

New grant funds can bring an influx of hiring, which can, at times, distribute the existing workload rather than creating new activities and interventions that would have an impact on students and families. While acknowledging that education is largely about service provision, which requires staff, think critically about the value-add of a new position in addressing a specific strategy. Alternatively, consider the costs associated with recruitment and training to replace a position if one is temporarily eliminated due to a budget shortfall, and the long-term impact reductions in force may have on the applicant's future ability to recruit.

One alternative to consider may be strategic partnerships or contracts with outside organizations, which may be easier to manage in the short-term and more readily expandable in the future if budgets allow.

HOW TO MITIGATE THE IMPACT OF BUDGET SHORTFALLS

Ongoing community engagement and the integrated needs assessment outlined in the Integrated Guidance drive the initial financial planning, as well as help in identifying high priority needs when plan shifts are needed throughout the biennium. It is important to try and anticipate budget shortfalls where possible and utilize tiered planning to assist in an efficient plan change process. By identifying a list of pre-approved alternative or additional activities through tiered planning, grantees are able to quickly pivot to another set of activities to reduce overall costs. This will minimize disruptions in plan implementation while still supporting the named strategies and outcomes.

Another option may be to look at braiding and blending of funds, which consists of combining funds from various program sources to ensure consistency, eliminate duplication of services, and allow recipients to strategically direct funding allocations. Braiding and blending may require reducing or eliminating one service or program in order to support another, which may be painful in the short term even when it provides better efficiency and alignment with long-term goals. It's important to engage with your community throughout the process, to keep them informed and to and ensure that reallocation decisions reflect community priorities.

Familiarize yourself with the allowable uses and parameters of each statute to help decide whether a particular funding stream can be used redirected to alleviate a reduction in funding that may affect an activity that you would like to retain and your community have prioritized protecting. For example, one key limitation to consider is the supplement vs supplant clause for High School Success, Perkins, and ESSA Title Programs. 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. HSS funds must be used to establish or expand programs, and may not be used to maintain programs, opportunities, or strategies established prior to December 8, 2016. There is an exception where HSS funds may be used to replace the loss or expiration of time-limited grants or federal funds. Additionally, Perkins and ESSA funds shall supplement, and shall not supplant, *non-federal* funds expended to carry out program activities.

While assessing your plan, you will want to consider:

1. Is this a high priority need identified by your community?

2. Are these interventions having the impact that you intended?

3. Is this intervention difficult to change midstream?

These three questions can help guide your decisions in which activities should be maintained and which activities need to be adjusted or cut.

An example of an activity that would meet in these three areas above, could be: your community has identified expanded CTE opportunities as a high priority need, and some students who were not regular attenders have already indicated that they would like to enroll in additional CTE classes once the project is completed. The district decided to build and equip a new CTE building to meet this need, and therefore would like to retain it in the budget as much as possible. You may run into hard decisions if an activity meets one of the above criteria but not the other two.

As stated above, applicants should continually follow-up and follow-through on the input that community members have generously offered. Once decisions are made, it is important to loop back to your community through established structures of accountability and feedback and communicate why a change was necessary, particularly if it was a high priority need identified by the community that can't be fulfilled at this time.

For example: Your community has identified a need for more Science instruction. The district had originally planned to fulfill this need by hiring an additional Science teacher, however due to budget constraints you will no longer be able to. As an alternative, the district has entered into an agreement with their neighboring district and students will be allowed to take extended science instruction at the partnering district's schools for a fraction of the cost of a full time teacher. You may find an activity needs to be shifted or removed because you are experiencing a budget shortfall, but the most important thing is to be transparent with your community and name these areas of tension upfront and explain the reasoning behind your decisions.

FAQS AND COMMON MISCONCEPTIONS

1. **If my allocation for HSS changes and I move up or down between funding tiers, does this change the programmatic areas (dropout prevention, career and technical education, college-level opportunities) I am required to spend on?**

   If your allocation increases during the biennium, and the increase moves you into a new tier of funding for the second year of the biennium, you do not need to change your programmatic areas to accommodate this new tier.

   If your allocation decreases during the biennium, you may (in consultation with your regional support person) modify your plan to spend in fewer funding areas as permitted by your new tier.

   If your allocation changes between biennia, your new biennial plan must spend in all the programmatic areas required by your new tier.

   Examples:

   Note, in all of these examples the allocation cutoff between Tier 1 (must spend in at least one programmatic area) and Tier 2 (must spend in CTE and at least one other programmatic area) is $100,000 per year.

   Example 1: Increase within single biennium

   2021-22 allocation (first year of biennium): $95,000

   2022-23 allocation (second year of biennium): $110,000

   Required spending: no change. Must spend in at least one programmatic area in each year of the biennium.

   Example 2: Decrease within single biennium

   2021-22 allocation (first year of biennium): $110,000

   2022-23 allocation (second year of biennium): $95,000

   Required spending: Must spend in CTE and at least one other programmatic area in 2021-22. May choose to modify the plan to spend in any programmatic area in 2022-23.

   Example 3: Increase over two biennia

   2022-23 allocation (second year of biennium): $95,000

   2023-24 allocation (first year of next biennium): $110,000

   Required spending: Must spend in at least one programmatic area in 2022-23. New HSS plan adopted for the 2023-25 biennium must spend in CTE and at least one other programmatic area in 2023-24.

   Note: all plans and plan changes require ODE approval. Please reach out to your point of contact to complete the plan change process before spending outside your approved plan.

2. **If I am expecting a decrease in next year's allocation, can I carry unspent funds over from this year to reduce the impact?**

   HSS funds may be carried over from the first to the second year of a biennium, but not between biennia. Unspent funds remaining at the end of the second year of the biennium (June 30th) must be returned to ODE and may not be carried over into the next biennium. The grant end date is June 30th unless grantees request a summer extension for HSS funds to spend until August 31 of that fiscal year.

   CTE and EIIS funds do not carryover and need to be spent by June 30th of the fiscal year that the funds were released. For SIA, all grantees have access to a universal extension to spend their SIA funds through September 30th of each fiscal year. Unspent funds remaining at the end of the year must be returned to ODE and may not be carried over into the next biennium.

3. **How does HSS's requirement to establish or expand programs interact with budget shortfall situations and the need to backfill?**

HSS's authorizing statute (ORS 327.874) requires that HSS funds be spent only on establishing new programs or expanding existing programs beyond what was in existence on or before December 8, 2016. If a program was established prior to December 8, 2016, and budget shortfalls require cuts to that program, HSS funds may not be used to backfill the difference, or to otherwise support that program.

However, if the program was established after December 8. 2016, or the cuts represent a reduction to an expansion of the program that occurred after December 8, 2016, HSS funding may be used to backfill the difference, as long as the program falls within HSS's allowable uses and was reflected in the recipient's needs assessment.

4. **If we make cuts to a HSS-funded program, or eliminate that program, can we restore it later if our funding allows?**

Yes, if an expenditure was previously HSS-eligible, HSS's "establish or expand" requirement does not prevent you from restoring it after it was reduced or eliminated.

5. **How does the Supplement, not Supplant Clause work for the funding initiatives in the Integrated Guidance?**

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.

HSS funds must be used to establish or expand programs, and may not be used to maintain programs, opportunities, or strategies established prior to December 8, 2016. There is an exception where HSS funds may be used to replace the loss or expiration of time-limited grants or federal funds. Additionally, Perkins and ESSA funds shall supplement, and shall not supplant, non-federal funds expended to carry out program activities. The Student Investment Account does not have a supplement, not supplant provision.