

SECTION 3: FINANCIAL STEWARDSHIP



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Section Snapshot

This section provides both the information and key templates to match resources to your planning. This includes explaining basic resource flows, braiding and blending of funds, and detailed information about the required Integrated Planning and Budget Template. A core goal of this guidance is to support districts and school communities to see and understand how resources can support their strong planning while interrupting the habit of reactively planning for funds as they've been parsed through state programs.

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 ADMw⁶³. A more detailed chart of allowable uses tied to each program is available in [Appendix H](#).

Fund Source	Statewide Total for 21-23 ⁶⁴	Allocation Calculation	Allocation Method ⁶⁵	Indirect Rate	Timelines for Spending
HSS	\$307,323,223 ⁶⁶	Based on Second Period extended ADMw; calculated yearly	Reimbursement	Limited to 4 percent of the grantee's total allocation.	Funds not spent in year 1 of the biennium can roll over to year 2 of biennium; can request summer extension
SIA	\$892,276,973	Based on Second Period extended ADMw; calculated yearly	Disbursement	Limited to 5 percent of the total expenditures or \$500,000, whichever is less. Any indirect 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 July 1 - September 30 with no rollover, universal summer extension. If opting out of the summer extension, annual funding July 1 - June 30.

63 See ORS See ORS 327.013 for what constitutes ADMw.

64 Resource totals for the 23-25 Biennium can be estimated in Jan-March of 2023 and are usually set at the end of the Legislative Session on odd years, the next being June 2023.

65 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.

66 Does not include \$16,571,429 in carry forward from 19-21.

Fund Source	Statewide Total for 21-23 ⁶⁴	Allocation Calculation	Allocation Method ⁶⁵	Indirect Rate	Timelines for Spending
CTE	\$32,000,000 \$12,000,000 to secondary districts/consortia	Based on US Census data of ages 5-17 students and poverty rates Must have at least one CTE Program of Study to be eligible for funding	Reimbursement	Max 5 percent admin - direct/indirect	Grant award July 1-Sept 30 of the following year annually; final claims by Nov 15
EDM	\$6,752,151	EDM is not planning to have individual school district grants this biennium.			
EIS	\$3,650,500	Based on ADM	Reimbursement		Yearly allocation July 1 - June 30, with no rollover from year 1 to year 2 and no summer extension



ELECTRONIC GRANT MANAGEMENT SYSTEM CLAIMS (EGMS)

While ODE works towards alignment of these six 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 for the grant agreement and if you are operating as a district sponsored charter or in a consortium then funding will either be expended or disbursed according to the agreed upon conditions set forth in your District Charter Agreement or Memorandum of Understanding.
- Perkins consortium grants will be made to the fiscal agent for the consortia and all EGMS claims and financial management will be the responsibility of the fiscal agent.
- The SIA will remain a disbursement grant where funding is claimed in 25% increments for each quarter prior to expenditures taking place.
- All funding streams, other than SIA will remain as reimbursement grants where claims will need to be submitted in EGMS after grant funding has been spent.

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

Claim Window	Amount of Claim for SIA	Amount of Claim for all other programs (CTE, HSS, EHS, CSI/TSI)	Perkins Federal (CTE)
July 1, 2023			20% allocation available for 2023-2024 grant award
July 1- July 30, 2023	25% of allocation	No cap on claim amount	
September 30, 2023			All funds from 2022-2023 grant award must be obligated
October 1- October 30, 2023	25% of allocation (up to 50% total)	No cap on claim amount	100% allocation available for 2023-2024 grant award
November 15, 2023			All claims on 2022-2023 grant award must be completed.
January 1- January 30, 2024	25% of allocation (up to 75% total)	No cap on claim amount	
April 1- April 30, 2024	25% of allocation (up to 100%)	No cap on claim amount	
June 30, 2024		HSS: Any unclaimed Y1 funds will remain open throughout Y2	

*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.

*CTE Perkins federal funds will flow through consortia fiscal agents for member districts.

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.

There are many ways to braid and blend funding to sustain more powerful impacts. And there are also important cautions and considerations as not all funds can be used in the same ways and key principles of financial management must be practiced to bring funding sources together while maintaining strong and transparent accounting. One example of blending and braiding funds is in the development and [financing of community schools](#)⁶⁷. ODE’s [Summer Best Practices Programming Guide](#) is also a rich and practical resource.

The starting point to braiding and blending funding is to have a clear plan with clear outcomes and strategies. This is essential because you want the plan to then be met by resourcing strategies that can include the programs in this guidance alongside other existing resources and through the development or use of new or community resources, as well.

“While this sounds reasonably straightforward, creating a financing plan isn’t just about spreadsheets and funding sources. It requires nuanced relationship building, sound policies and programs, and a well-developed strategy.”

- Sharon Deitch, Financing Community Schools

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 ESSA partnerships, 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. A notable exception to this are the Federal ESSER I, II, and III funds which are not subjected to the supplement not supplant rules and considerations, as a result, districts have flexibility to allocate those funds in a manner consistent with their ESSER III District Plan, district priorities and students academic and social strengths and needs.

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 does not contain a provision speaking to supplementing or supplanting.

67 Financing Community Schools: A Framework for Growth and Sustainability. Deich and Neary. (2020)

The table below provides examples of previously utilized programmatic plan strategies or activities that have or could receive funding from the sources indicated.

Strategy/Activity	SIA	HSS ⁶⁸	EIIS	PERKINS ⁶⁹
Develop and implement an integrated model of mental health in order to support students feeling a sense of belonging and safety.	✓	✓	✓	✓
Develop additional academic supports through a tiered approach aligned to the needs of our English Learners.	✓	✓		✓
Round out our middle and high school curricular offerings to expand CTE, as well as advanced and dual credit courses that are accessible to each and every student.	✓	✓		✓
Implement a reliable, easily accessible electronic data system that supports educators and leaders to identify student strengths, growth areas, and progress toward graduation in multiple dimensions for students as allowed by a given fund source, including learning progress, school engagement, social/emotional wellness, and family engagement.	✓	✓	✓	
Create Community-based Family Liaison position(s) in all communities in our district, provide continuity of partnership and support (with families identified through EIIS, IDEA, Title I, and other specific supports) and eliminate the possibility that a family is disconnected from the school.	✓		✓	
Develop an equitable funding model for rural regional leadership support and development that involves leadership equalization funds, additional professional learning funds and a travel differential to ensure equitable access to high-quality programs, experiences and instructors.				✓
Develop a system where students are monitored and support is provided to help ensure on-time graduation, including things like graduation coaches, student success coaches, and time for teachers to collaborate	✓	✓	✓	
Develop a system where students are encouraged to enroll in college level courses and have college level opportunities and access other advanced courses. Barriers like cost or access are removed and students are actively encouraged to participate. Note: Perkins cannot be used for tuition costs but can assist with program development, professional development, advising and counseling.	✓	✓		✓

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

68 High School Success allowable expenses are grades 9-12 with 15% of a recipients’ overall allocation allowable to support 8th grade students. Expenses that span outside of allowable grade levels must be prorated.

69 CTE/Perkins funds support CTE Programs of Study through quality program development, materials and equipment and professional development, but CTE Regional Coordinators have extensive knowledge to assist with building systems with workforce partners, employers advisory committees and colleges.

BUDGETING WITH CTE REGIONAL CONSORTIA

- Applicants participating in CTE Regional Consortia need to work with CTE Regional Coordinators to build regional priorities and discuss how local use of funds may be braided to support local and regional goals simultaneously.
- CTE Regional Coordinators are responsible for submitting the goals and budget for the CTE Regional Consortia funds separately from the district application. This requires close conversation and collaboration in the overall budget integration process. Districts that are part of a Regional CTE Consortium will not have the ability to submit budget information directly under CTE. Districts that are directly awarded CTE-Perkins funds will.
- Districts that are part of a CTE consortium should consult their regional Consortia Handbook information regarding the use of Federal Perkins funds in the purchase of equipment. Make sure to work with the CTE Regional Coordinator to work out issues around the purchasing processes, inventory and equipment ownership and maintenance requirements.

FINANCIAL STEWARDSHIP OPPORTUNITIES WITHIN BUDGETING AND PLANNING PROCESSES

Alongside the real and significant collaboration responsibilities of school leaders with community and educators, ODE highly recommends increased collegiality and collaboration between business officers, administrators, building leaders, and educators. There are consistent opportunities to improve understanding district decision-making, allocation methods, and how program or fund leadership is established. This topic gets some attention in the Every Student Succeeds Act (ESSA) and is part of K-12 accreditation processes. More importantly, it is a place where better outcomes for students can be realized even if out of the formal requirement scope of this guidance.

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

USING THE INTEGRATED PLANNING AND BUDGET TEMPLATE OVERVIEW

[A single integrated planning and budget template](#) has been developed for this guidance and its completion is required. The tool is designed to center your planned outcomes and strategies to the discrete activities and associated expenditures for funds distributed across all six programs outlined in this guidance. It is designed to assist in multiple years of planning and budgets.

An additional [technical guidance document](#) to support your use of the budget template has been developed. We highly recommend you review the guidance document and template together ahead of your planning process.

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 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 moving 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 are detailed in the “Additional and Tiered Planning Tab” of the budget template.

TIERED PLANNING IS AN IDEAL WAY TO REDUCE LATER IMPLEMENTATION CHALLENGES

A strong plan with community-informed alternatives for additional tiered expenses can help smaller districts minimize going through rigorous process requirements within a given year or biennium.