

## What the Law Says

Districts receive federal funding under the Every Student Succeeds Act (ESSA) through either a competitive process or a pre-determined formula established by the U.S. Department of Education (ED) and the state. **Formula grants** under ESSA are awarded annually based on each Title grants unique funding formula. These programs are sometimes referred to as state-administered programs as the funds are awarded to the state and then allocated to districts. Most final allocations are provided to states by ED in late June or early July. Allocations are posted on the [ESEA Allocations web page](#) on the ODE website.

## Funding Formulas

- **Title I-A** allocations are initiated by ED based on the district's census poverty. ODE adjusts these allocations for school improvement and other state level activities to create final allocations. *(ESSA Section 1124)*
- **Title I-C** funds are allocated by ED to the state. Each district receives three allocations, one for the regular year, one for pre-school, and another for summer school. Allocations for Migrant Education Program projects within the state are provided to qualifying school districts and ESDs and are determined based on the number of migrant students enrolled. The summer school allocation also includes the number of hours spent on reading and math instruction from the prior school year. *(ESSA Section 3111)*
- **Title I-D, Subpart 2** is funded through the state's Title I-A allocation. Districts receive funding on a per-pupil amount based on the October Caseload Count. *(ESSA Section 1422)*
- **Title II-A** allocations are based on the number of children aged 5-17 residing in the district (population - 20%) and the number of children aged 5-17 from families with incomes below the poverty line (census poverty - 80%). *(ESSA Section 2102)*
- **Title III (Regular School Year)** allocations use a per student formula based on the Spring English Learners (EL) collection data and include ELs served by the program that are not exited on the spring collection and not waived service. Title III also includes an Immigrant subgrant which must be allocated to the districts with the greatest significant change of enrolled Recent Arrivers<sup>1</sup> over a three year average. Districts are notified if they are eligible for the Immigrant subgrant. *(ESSA Section 3114)*
- **Title IV-A** allocations are based on the previous year's Title I-A allocations awarded districts. For example, a district that received 5% of Oregon's Title I-A allocation to districts in 2020-21 can expect to receive 5% of Oregon's Title IV-A allocation to districts in 2021-22. Districts that did not qualify for or that did not accept a Title I-A allocation in the previous year do not receive a Title IV-A grant for the following school year. *(ESSA Section 4105)*
- **Title V-B (RLIS, SRSA, REAP)**
  - **Small and Rural School Achievement Program (SRSA)**  
The U.S. Department of Education administers these grants. Questions regarding formulas should be directed to the U.S. Department of Education. *(ESSA Section 5211)*
  - **Rural and Low Income Schools (RLIS)**  
These grants are allocated to districts based on location and Small Area Income and Poverty Estimates (SAIPE) or census poverty data. *(ESSA Section 5221)*

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<sup>1</sup> Recent Arrivers are defined as "born outside the US (or its territories) and educated in the US fewer than 3 cumulative years."

- **Rural Education Achievement Program (REAP) or Alternative Funds Use Authority**

The REAP program is a provision that allows some small and rural districts to flexibly use Title II-A and Title IV-A grant awards. This program does not have an allocation formula associated with it. (ESSA Section 5212)

## Requirements

There are a number of requirements districts must meet in order to access federal funds. Additional guidance can be found in the [CIP Budget Narrative User Guide](#).

- 1. Identify district priorities.** Districts must complete a comprehensive needs assessment. The comprehensive needs assessment should help districts examine relevant academic achievement data, and social emotional data, to understand students' most pressing needs and their root causes.
- 2. Engage the community and establish effective strategies.** Districts should engage their community in the development and implementation of their plan. This includes parents, educators, district staff, tribal leaders, and others. Where necessary, district leaders should also demonstrate that they have consulted their private school community on the equitable share of services.
- 3. Complete the CIP Budget Narrative.** The CIP Budget Narrative for each title grant accepted must describe the district's plan for spending funds in ways that align with its needs assessment. Federal funds are available to districts in two installments. The first installment consists of 20% of grant funds, these become available once the four required prerequisites are completed. After the CIP Budget Narrative is submitted by the district, and approved by ODE, the remaining 80% of funds become available.
- 4. Monitor and adjust.** District and school needs may change during the year and CIP Budget Narratives should be revised and resubmitted as needed. Track spending, identifying what additional resources are available and how they can be utilized for the remainder of the year.
- 5. Submit claims through the Electronic Grants Management System (EGMS).** Districts receive grant funds through a reimbursement method. Funds must be obligated by September 30 of the year after they were awarded and districts have an additional 6 weeks to claim funds through EGMS. If all the resources are not used, or claimed, within the first 15 months, districts can submit a carryover application. Note, that ESSA places a **15% cap on carryover for Title I-A**.

## Recommendations for Practice

**Reflect on effectiveness.** The district's use of funds represents an investment in its students and staff. When planning, identify measures that will be used to determine the impact of selected strategies and activities. At the end of the school year, it is important to review how resources, including funding and staff, were allocated throughout the district and to evaluate the impact that resulted from the investment made.

**Use preliminary allocation data carefully.** Preliminary allocations are based on the U.S. Department of Education's budget and are allocated to states and districts based, in part, on census information. As a result,

small corrections to this nationwide data may result in changes to district allocations. For this reason preliminary allocations should be used cautiously when planning for the upcoming school year.

**Plan with sustainability in mind.** Federal funding is not guaranteed to be stable from year to year. For example, it is not uncommon to use federal funds to support staffing costs. While this is an allowable use of funds, it is important to plan so that staffing is not disrupted when funding fluctuates.

**Track expiration dates of funds.** When possible, follow the “First in, First out” rule. Spending down funds with the earliest expiration date makes it more likely the district will utilize all the funds for which it is eligible.

## Funding Timeline

Federal formula funds are made available on July 1 of the fiscal year and remain available for obligation by the district for a period of 27 months. This 27-month period includes an initial 15-month period of availability and an automatic 12-month extension permitted under the “Tydings Amendment” often referred to as “carry over”.

Any funds not obligated by the district in the initial grant period are made available to districts in mid-November through carry over applications.



## Questions for Reflection

1. Do principals and district leaders have an understanding of each Title program and how the funding can be used to reach the district’s goals?
2. What measures has the district identified for determining the impact of its investment of federal funds?
3. How does the district ensure communication between program staff (including educators) and fiscal staff regarding the spending of federal funds?
4. What opportunities does the community have to participate in the development of the district’s plan and budget?
5. What systems are in place for tracking the allocation and spending of funds at the district level?
6. How frequently does the district review the status of expenditures and remaining funds?

## Resources

- [Every Student Succeeds Act](#)
- [Oregon Federal Funds Guide](#) (ODE)
- [ESEA Allocations page](#) (ODE)
- [CIP Budget Narrative User Guide](#) (ODE)