

NEVADA DEPARTMENT OF EDUCATION
GUIDANCE DOCUMENT FOR
Title I, Part A



Carryover Guidance¹

Created by the Nevada Department of Education
Title I Team

¹ This guidance supersedes any previous NDE guidance on this topic and will be remain in effect until further notice from NDE.

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Overall Module Topic Name

1. Overview of Carryover

1.1. Introduction

The federal Title I grant program annually provides supplemental financial assistance to eligible school districts to help ensure that all students in the district, particularly those who struggle academically, are able to meet the state’s academic standards. Each district is expected to spend at least 85 percent of its annual Title I allocation within the first year of the grant. Funds that are reallocated to the district or that the district carried over from the previous year are not accounted for in this 85 percent. The Title I carryover provision, however, allows districts access to Title I grant funds for a total of up to 27 months. A district that does not expend the full amount of its Title I allocation in Year 1 of the grant period may carry over up to 15 percent of its total allocation into Year 2 without submitting an additional carryover application. Districts must continue to track and report on Title I expenditures by grant year. For example, FY19 funds expended between July 1, 2018 and June 30, 2019 are considered to be spent in Year 1. Funds expended between July 1, 2019 and June 30, 2020 are considered Year 2 of the grant cycle. This document provides guidance on the carryover processes in Nevada.

1.2. Carryover Guidance from the Nevada Department of Education

While the Nevada Department of Education recommends all districts to spend at least 85 percent of their annual Title I grant by June 30 each year, the state and federal fiscal years start and end at different times. Nevada’s fiscal year runs from July 1 to June 30, whereas the federal fiscal year runs from October 1 to September 30. For this reason, although Year 1 of the Title I grant period ends on June 30, a district actually has until September 30 (15 months) to spend at least 85 percent of its Title I allocation. If at least 85 percent of FY19 Title I funds are expended by September 30, then the remainder of the district’s Title I allocation (15 percent or less) can be spent in Year 2 without submitting a separate carryover application. All funds carried over into Year 2 must be obligated by September 30 of the following year. Any funds that remain unobligated after that date revert to the U.S. Treasury. Keep in mind that although the federal fiscal year runs October 1-September 30, the federal grant award period is July 1 to September 30 of the following year (15 months). This means that LEAs can begin using funds July 1 and do not need to wait until October 1.

If a district is unable to expend at least 85% of its Title I funds within the first year, then the district must either return the excess funds or apply to NDE for a waiver. If the waiver is approved, the district may carry over those funds into the following fiscal year. If the

waiver is not approved, those funds revert back to the state who then reallocates based on developed state criteria.

In order to provide evidence that carry forward of unspent set-asides has taken place, the district must be able to demonstrate this through account budgeting and/or another form of internal tracking. The district should be able to verify that the unspent portion of a set-aside was added to the current year required amount. Carryover for Parent and Family Engagement set-aside funds must be reserved for Parent and Family Engagement in the following year. Carryover for Homeless and/or Neglected Students set-asides may be released to general use of funds, if the district can justify the decrease in use of funds for the program service. The district must maintain documentation supporting the change. The district must meet their Private School Equitable Services commitment for timely and meaningful consultation; and provide services that were agreed upon in the consultation for the school year. If a school district does not provide services that were agreed to within the fiscal period, then they must designate the carryover as a set-aside for equitable services to private school students. The district must notify participating private schools of remaining set-asides. If the private school does not respond or indicates they will not access the services, the district can redirect the amount to general Title I, Part A purposes, as approved in the districts grant application. If the district meets the commitment, they do not have to designate leftover funds from equitable services as a set-aside. If a district meets all of its service obligations, it may, but is not required, to allow the set-aside to maintain its character.

2. Carryover under ESEA

2.1. Section 1127

Per the Elementary and Secondary Education Act of 1965 As Amended Through P.L. 115-64, Enacted September 29, 2017:

Section 1127. [20 U.S.C. 6339] CARRYOVER AND WAIVER.

(a) **LIMITATION ON CARRYOVER.**—Notwithstanding section 421(b) of the General Education Provisions Act or any other provision of law, not more than 15 percent of the funds allocated to a local educational agency for any fiscal year under this subpart (but not including funds received through any reallocation under this subpart) may remain available for obligation by such agency for one additional fiscal year.

(b) **WAIVER.**—A State educational agency may, once every 3 years, waive the percentage limitation in subsection (a) if—(1) the agency determines that the request of a local educational agency is reasonable and necessary; or (2) supplemental appropriations for this subpart become available.

(c) EXCLUSION.—The percentage limitation under subsection (a) shall not apply to any local educational agency that receives less than \$50,000 under this subpart for any fiscal year.

If the waiver is not granted by the Nevada Department of Education, the unspent funds in excess of 15% will be reallocated to other eligible districts in accordance to Section 1126.

2.2. Section 1126

Section 1126. [20 U.S.C. 6338] SPECIAL ALLOCATION PROCEDURES.

(c) REALLOCATION.—If a State educational agency determines that the amount of a grant a local educational agency would receive under sections 1124, 1124A, 1125, and 1125A is more than such local educational agency will use, the State educational agency shall make the excess amount available to other local educational agencies in the State that need additional funds in accordance with criteria established by the State educational agency.

Reallocation of Funds

The Nevada Department of Education (NDE) will reallocate Title I, Part A funds in accordance with the guidelines discussed below.

Title I, Part A Funds Eligible for Reallocation

Title I, Part A Funds from an LEA that:

1. Is not participating in the Title I, Part A program or is declining funds for another reason
2. Has had its allocation reduced because it failed to meet the maintenance of effort requirement (Section 8521 of ESSA);
3. Has Title I, Part A carryover funds exceeding the 15 percent limitation (applicable to grants exceeding \$50,000.00 in funding)
 - After September 30th of each year, an LEA is not allowed to use any prior year funds that exceed the 15 percent carryover limitation, unless a waiver is approved by the SEA
4. Has had funds recovered by the SEA after determining an LEA has failed to spend Title I, Part A funds in accordance with the requirements; or
5. Has excess funds for other reasons (e.g. carryover waiver not approved by the SEA).

LEAs Eligible to Receive Reallocated Funds

To be eligible to receive reallocated funds, an LEA must:

1. Meet the general eligibility requirements to receive Title I funds
2. Not have exceeded the 15 percent limitation to carry over funds in the year requesting reallocated Title I funds
3. Not have relinquished funding for the grant year in which it is asking

Reallocation priorities:

Reallocation of funds will be prioritized for eligible LEAs districts that:

1. Create a plan for using the funds that:
 - a. Aligns with one or both of the NDE priorities for school improvement (i.e., school leadership development and data informed decision-making), per Nevada’s Every Student Succeeds Act State Plan
 - b. Includes evidence-based interventions, strategies and activities that meet ESSA Evidence Levels 1, 2, or 3; and/or
2. Had a decrease in funding based on one or more Title I, A allocation revisions for a given fiscal year.

Funds may also be distributed in accordance with other priorities identified by the NDE leadership, determined by the needs of LEAs and their schools.

Upon redistribution of funds, LEAs will be required to amend their grant in ePAGE within 30 days of reallocation, or funds will not be granted to the LEA.

Please note the NDE reserves the right to modify these reallocation criteria.

2.3. LEA Carryover Request Submission Dates and Waiver Request Process

NDE will extend the carryover balance (15% or less) into the next fiscal year’s Title I Consolidated Application Allocation section of ePAGE after the current fiscal year’s Final Financial Report is approved. If the carryover amount is in excess of 15%, the district must request waiver approval from the Title I Programs Director. If NDE determines that a district exceeds the 15% carryover limitation, after the final expenditure report has been submitted and reviewed, the district will be notified. To apply for a waiver, a letter of request and justification must be sent to the Title I director for consideration and approval. LEAs may only request a waiver once every three years.

Please see Appendix B for a sample carryover waiver request template

The final FY 19 Request for Funds must be submitted in ePAGE by August 10. This due date will allow the Nevada Department of Education time to process any district Request for Funds prior to the close of the state fiscal year. The Final Financial Report process moves all remaining funds into Year 2, and allows for Year 1 funds to be expended through September 30th.

Appendix

Appendix A: Carryover Example

The following example illustrates how the 27-month availability for Title I, Part A funds and the carryover limitation would operate for a district (any funds that remain unobligated after the grant period revert to the U.S. Treasury):

Current Fiscal Year Allocation:	\$135,000
Maximum carryover of 15%:	\$20,250
Upcoming Fiscal Year Allocation:	\$142,000
Maximum carryover allowable from Past FY:	\$20,250
Total Funds Available in Upcoming FY:	\$162,250

In this example, the \$20,250 may be spent on any reasonable, allocable, and allowable Title I-A expenses within fiscal year. After September 30th, those funds revert to the U.S. Treasury and cannot be carried over into the following fiscal year.

Subject to the limitations described in the above section on Exceptions, districts have options when determining how to spend carryover funds. They may:

(1) Allocate the funds to eligible schools (schools must be kept in rank order based on poverty); or

(2) Allocate the funds for district level activities such as professional development.

Districts using this option must ensure that private schools have equitable participation, where appropriate.

Appendix A: Frequently Asked Questions

1. I hear the term Year 2 used now instead of carryover. What does that mean?

Since districts can spend funds at any time during the two year grant cycle (as long as 85% is spent in the first year) there is technically not any money that is “carried over.” The terms Year 1 and Year 2 indicate where in the grant cycle the money is being spent. Since no more than 15% of funds can be left unspent in the first year, districts still need to track funds expended in Year 1 and Year 2 of the grant cycle.

2. Are any districts with a Title I allocation exempt from the 85% rule?

Yes. The 85% rule does not apply to districts with an allocation of less than \$50,000.

3. Must 85% of a district’s Title I allocation be spent by the end of the initial year, which is the end of the state fiscal year (June 30th), or by the end of the federal fiscal year (September 30th)?

At least 85% of a district’s allocation must be spent by September 30th. As a state agency, NDE is required to track funds according to the state fiscal year, which runs from July 1st through June 30th. As a federal grant, however, Title I grant awards are governed by federal law that uses the federal fiscal year, which runs from October 1st through September 30th. As a result, districts have three additional months beyond the initial grant period, if necessary, to spend at least 85% of their grant allocation for the year. NDE encourages districts to spend at least 85% of the grant by June 30, where possible.

4. Our district will need to carry over more than 15% of our Title I allocation. Can this limitation be waived?

Yes. If the district has not exceeded the carryover limit in the past three years, then a waiver may be requested to allow for more than 15% of the district’s allocation to be available in the next fiscal year. Specific instructions regarding carryover limitations and waivers are provided in this document.

5. Are funds transferred into Title I, Part A from another grant subject to the 85% rule?

Yes. The 85% rule is based on the total Title I allocation figure allocated to the district, plus any funds transferred into Title I, Part A. Funds transferred into Title I are subject to Title I rules, including the Title I spending requirements in the first year. For instance, if a district has a Title I allocation of \$100,000, and transfers \$25,000 from Title II, Part A, then the 85% rule will apply to the \$125,000 figure.

6. Are funds expended in Year 2 subject to the 85% rule the following year?

No. With regards to the 85% rule, Year 2 funds do not apply towards the annual spending requirement. If a district has FY19, Year 2 funds to expend, those funds will not affect how much a district has to spend in FY20 Year 1 to meet the 85% threshold.

7. What if spending plans change during the course of the two year grant cycle?

If spending plans change during the grant cycle, then the district must revise the Title I Consolidated Application in ePAGE. Revisions are required when spending plans change regardless of whether the change happens with funds expended in Year 1 or Year 2.

8. Do school allocation rules apply to funds spent in Year 2?

Yes. Districts still need to allocate funds to schools by rank order of poverty regardless of year. This means a school with a higher poverty rate must receive the same Title I per-pupil funding or greater than all Title I schools in the district with lower student poverty rates. This applies whether the funds are being expended in Year 1 or Year 2.

9. What activities can be funded in Year 2?

The same Title I allowable costs guidelines apply, regardless of the year in which the funds are being expended. The district should prioritize spending Year 2 funds first to ensure they are spent within the grant cycle and not reverted back to the US Treasury.

10. How does the Year 2 provision apply to equitable services to private school children?

In general, if a district provided equitable services for private school students in the first year, any Year 2 funds would be considered additional funds for the entire Title I program in the subsequent year and would be part of the district's Title I resource base in the next year. Those funds would be used, along with any other Year 2 funds, for serving both public and private school students on an equitable basis. This situation might occur, for example, if private school students did not fully participate in the Federal program in the first year, even though an equitable program was planned and offered for those students.

However, there may be a circumstance in which equitable services were not provided. For example, there was a delay by a district in implementing an equitable program for private school children because of consultation and notification issues between private school officials and the district. As a result, the district could not spend all the funds it had available for providing equitable services to private school children and needed to carry over those funds and use them to provide services to private school children in the

following year. These Year 2 funds would be in addition to funds that the district would otherwise be required to use to provide equitable services for private school students out of the district's current-year allocation.

Under either situation, the district retains control of the Federal funds carried over into the following year. Funds are never provided directly to private schools.

Appendix B: Carryover Waiver Request Template

CARRYOVER LIMITATION FOR TITLE I PART A FUNDS

Ms. Gabrielle Pingue, Esq.
Title I Director
Nevada Department of Education
Office of Student and School Supports
9890 S. Maryland Parkway, Suite 221
Las Vegas, Nevada 89183

Dear Ms. Pingue:

I am writing on behalf of [NAME OF LOCAL EDUCATION AGENCY (LEA)] to request a waiver of the limitation in section 1127(b) of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA) that not more than 15 percent of the funds allocated for Title I, Part A for any fiscal year may remain available for obligation for one additional fiscal year. The LEA is requesting to carryover \$[INSERT DOLLAR AMOUNT OF FUNDS AND PERCENT OVER 15%]. We need the additional waiver because it would be reasonable and necessary due to [INSERT RATIONALE FOR THE NEED FOR A WAIVER; I.E., WHY FUNDS WERE NOT EXPENDED IN THE CURRENT FISCAL YEAR, ANY OTHER INFORMATION THE LEA THINK IS PERTINENT].

[LEA] believes that the requested waiver will provide the LEA with the flexibility it needs to spend its FY [20XX-XX] Title I, Part A funds thoughtfully over the remainder of this year and next year on activities that are most likely to increase the quality of instruction and improve the academic achievement of students. [DESCRIBE THE ACTIVITIES.] Accordingly, [LEA] believes that, ultimately, the requested waiver may help more schools within the district meet their annual measurable objectives (AMOs) by enabling them to direct their funds thoughtfully to activities that will help in this regard. With the requested waiver, the LEA ensures that it will continue to assist the same populations served by the Title I, Part A programs for which the waiver is being requested in accordance with applicable program requirements. Attached is the budget detailing what the carryover funds will be used for, if approved. The LEA understands that we can only request a carryover waiver once every three years and we affirm that we have not requested a carryover waiver in the past three years. [ATTACH PROPOSED CARRYOVER BUDGET].

If you have any questions, please contact me at [CONTACT INFORMATION]. Thank you for your consideration in this matter.

Sincerely,

[Signature]
[Type Name]

| cc: Superintendent