

# GUIDANCE

TRANSFERABILITY



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# Contents

INTRODUCTION.....	1
Transfers By LEAs.....	2
Requirements For Transferred Funds.....	2
Impact of Transferability on Equitable Services .....	2
Impact of Transferred Funds on Required Set-Asides And Building Allocations.....	2
QUESTIONS AND ANSWERS.....	3

# TRANSFERABILITY

## INTRODUCTION

Transferability is a flexibility authority under the Every Student Succeeds Act (ESSA) which allows Local Educational Agencies (LEAs) to transfer up to 100% of the funds they receive under Title II, Part A and Title IV, Part A to other programs to better address the needs of their unique student populations and to ensure the capacity of delivering a meaningful program.

Transferability provides LEAs with flexibility in targeting Federal resources to meet the needs of all children. It can be a powerful tool in assisting districts in pursuing their own strategies for raising student achievement. It facilitates the development and implementation of integrated approaches for addressing local educational needs and priorities.

This guidance outlines the ways in which LEAs can exercise their transferability option.

## Transfers by LEAs

LEAs may transfer all or some of the funds received from:

- Title II, Part A – Supporting effective instruction state grants
- Title IV, Part A – Student support and academic enrichment grants

LEAs may transfer all or some of the funds from programs listed above into:

- Title I, Part A – Improving basic programs operated by LEAs
- Title I, Part C – Education of migratory children
- Title I, Part D – Prevention and intervention programs for children and youth who are neglected, delinquent, or at-risk
- Title II, Part A – Supporting effective instruction state grants
- Title III, Part A – State grants for English language acquisition and language enhancement
- Title IV, Part A – Student support and academic enrichment grants
- Title V, Part B – Rural education

LEAs cannot transfer funds out of Title I, Parts A, C, or D, Title III, Part A, or Title V, Part B.

## Requirements For Transferred Funds

In transferring funds, an LEA transfers the use of funds, but does not actually have to move funds from one account to another so long as it maintains adequate documentation to account for the transfer. The LEA must maintain records demonstrating how a program's total funds, including transferred funds, were spent. However, the LEA does not have to account separately for the expenditure of the funds that were transferred into a program and the allocation to which the transferred funds were added.

## Impact of Transferability on Equitable Services

Before an LEA may transfer funds from a program subject to equitable services requirements, it must engage in timely and meaningful consultation with appropriate private school officials. With respect to the transferred funds, the LEA must provide private school students and teachers equitable services under the program(s) to which, and from which, the funds are transferred, based on the total amount of funds available to each program after the transfer.

## Impact of Transferred Funds on Required Set-Asides And Building Allocations

Yes, if there are required set asides for the program(s) to which the funds are transferred into, the transferred funds need to be applied to the required set-asides for those program(s). Since you are increasing your total allocation, this will also increase your funds for ranking and allocating to buildings under Title I, Part A.

## QUESTIONS AND ANSWERS

**Q1. Does transferability provide LEAs with additional Federal funding?**

A1. No. Transferability does not affect the overall amount of funds an LEA receives, but provides them with greater flexibility in using certain Federal funds.

**Q2. Is there a limit on the amount of funds an LEA may transfer?**

A2. No. An LEA may transfer any portion of funds, up to 100%, under Title II, Part A or Title IV, Part A.

**Q3. May an LEA transfer funds *from* its allocation under Part A of Title I to its allocation under other programs?**

A3. No. An LEA may *not* transfer funds from Part A of Title I to its allocations under other programs. It may only transfer funds *into* Part A of Title I.

**Q4. What steps must an LEA take before transferring funds?**

A4. Before transferring funds, an LEA must --

1. Engage in timely and meaningful consultations in order to provide for the equitable participation of private school students and staff;
2. Determine the program(s) from which funds are to be transferred and to which funds will be transferred;
3. Determine the amount, and Federal fiscal year, of funds to be transferred;
4. As appropriate, reflect the use of transferability in the needs assessment and goals of each program impacted by the transfer; and
5. Notify NYSED of the transfer.

**Q5. What are the responsibilities of an LEA for the provision of equitable services to private school children and teachers with respect to funds being transferred?**

A5. Excluding Title I, Part D and Title V, Part B, each program covered by the transferability authority is subject to the equitable services requirements under Title I or VIII. These equitable services obligations cannot be waived. Before an LEA may transfer funds from a program subject to equitable services requirements, it must engage in timely and meaningful consultation with appropriate private school officials.

**Q6. How are equitable services treated?**

A6. With respect to the transferred funds, the LEA must provide private school students and teachers equitable services under the program(s) to which, and from which, the funds are transferred, based on the total amount of funds available to each program **after the transfer**. For example, if an LEA transfers 100% of funds received in Title IV, Part A into Title I, Part A,

the LEA would provide equitable services under Title I, Part A, since no funds are remaining under the Title IV, Part A program.

**Q7. May an LEA transfer only those funds that are to be used for equitable services to private school students or teachers?**

A7. No. The LEA may not transfer funds to a particular program solely to provide equitable services for private school students or teachers. Rather, an LEA, after consulting with appropriate private school officials, must provide equitable services to private school students and teachers based on the rules of each program and the total amount of funds available to each program after a transfer.

**Q8. What rules and requirements apply to funds that an LEA transfers from one program to another?**

A8. Funds that an LEA transfers are subject to the rules and requirements of the programs to which the use of funds are transferred.

**Q9. Which requirements govern the transferred funds?**

A9. Transferred funds are subject to all the rules and requirements of the programs to which the funds are transferred, including equitable services. Therefore, the transferred funds should be treated as if they were included in the initial allocations of the programs to the LEA transfers funds. Spend transferred funds in accordance with requirements of the receiving program, including statutory set-asides.

**Q10. Are required set-asides and building allocations impacted by the transfer of funds?**

A10. Yes, if there are required set asides for the program(s) to which the funds are transferred into, the transferred funds need to be applied to the required set-asides for those program(s). Since you are increasing your total allocation, this will also increase your funds for ranking and allocating to buildings under Title I, Part A.

**Q11. What information must an LEA include in its notification to NYSED?**

A11. Within the Consolidated Application, an LEA must notify NYSED of:

- The program(s) from which funds are to be transferred;
- The amount of funds to be transferred; and
- The program(s) to which the funds will be transferred.

**Q12. If the LEA transfers funds between programs, will this impact future program allocations in these programs?**

A12. No, transferred funds are not considered when allocating formula funds in future periods.

**Q13. Is there a limit on the number of times an LEA may transfer funds into or from an individual program during a fiscal year?**

A13. No. There are no statutory limitations on the number of times an LEA may transfer funds into, or from, an individual program during a fiscal year. However, each transfer should be made only after the LEA has engaged in thorough and careful planning.

**Q14. If the LEA transfers funds between programs, how does it claim the funds under the applicable programs?**

A14. The funds must be claimed under the program in which they were received. For example, an LEA receives \$20,000 in Title IV, Part A funds and chooses to transfer all of those funds into Title I, Part A. Even though the funds are transferred and follow the requirements of the Title I, Part A program, the funds must be claimed under Title IV, Part A.

**Q15. If the LEA transfers funds between programs, how does it determine how much to claim under each of those programs?**

A15. The expenditures of the program to which the funds were transferred into can be pro-rated back to the program they were awarded under. For example, an LEA transfers all of its Title IV, Part A funds in the amount of \$20,000 into Title I, Part A, which has an initial allocation of \$80,000 for a total allocation for Title I, Part A of \$100,000 (20% of the total allocation is from Title IV, Part A). When determining the amount of the claim for Title IV, Part A, 20% of the total expenditures would be claimed under Title IV, Part A and the remainder of the expenditures would be claimed under Title I, Part A.

**Q16. What are an LEA's responsibilities for funds that it transfers?**

A16. An LEA must:

1. Spend transferred funds in accordance with requirements of the receiving program.
2. Maintain records of transfers that will permit the U.S. Department of Education and NYSED to carry out normal monitoring, evaluation, and auditing activities.
3. Produce reports determined by the State to be adequate for financial and program reporting.

**Q17. If It transfer funds between programs, how do I determine how much to claim under each of those programs?**

A17. The expenditures of the program to which the funds were transferred into can be pro-rated back to the program they were awarded under. For example, an LEA transfers all of its Title IV, Part A funds in the amount of \$20,000 into Title I, Part A, which has an initial allocation of \$80,000 for a total allocation for Title I, Part A of \$100,000 (20% of the total allocation is from Title IV, Part A). When determining the amount of the claim for Title IV, Part A, 20% of the total expenditures would be claimed under Title IV, Part A and the remainder of the expenditures would be claimed under Title I, Part A.