

## BULLETIN NO. 04-12

**TO:** School District Superintendents  
School District Title I, Part A Directors

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**RE:** Allowable and Timely Use of Title I Funds Under NCLB

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This e-bulletin discusses two issues that have arisen due to conversations between districts and the Illinois State Board of Education (ISBE) and due to the way the U.S. Department of Education (ED) looks at unspent Title I dollars.

### **Allowable Use of Funds**

Funds allocated to districts for Title I must be used to support the goals of the Title I program. Although this seems self-evident, there are some important considerations for districts to bear in mind in applying this fundamental purpose of the program to proposed expenditures:

- Title I is an instructional program, not a supplies grant or any other kind of program. Thus to purchase supplies without a Title I paid for instructor to use them with students is not allowable. If there are insufficient Title I funds to support an instructor or paraprofessional, professional development should be provided.
- Individual Title I expenditures should be consistent with the nature and scope of the larger program. For example, if a district has one Title I teacher in a targeted assistance building, it will be difficult to justify purchasing five whiteboards—one teacher working with a few students at a time simply is not likely to need that many whiteboards.

### **Timely Use of Funds**

Historically, many districts have held back a significant portion of their annual Title I allotment in one grant year in order for those dollars to be carried over into the next year in the event Title I funding was reduced. They did so in order to have adequate funding in the next year for Title I staff until the district could determine how and if it would be able to continue to fund those Title I positions. When it was apparent that funding would continue at current levels, districts would often amend for the unbudgeted funds to buy supplies or equipment in the last month or two of that fiscal year.

Starting in grant year 2013 (the 2012-13 school year), USDE requires that all Title I funds be budgeted each year and that each district's annual allocation be spent on services for children who are failing, or most at risk of failing, to meet state academic standards in the grant year in which the dollars were allocated. That is, each district must budget all of its Title I, Part A allocation each year. The law requires the State, if it determines that the amount of a grant a district would receive under sections 1124, 1124A, 1125, and 1125A of the ESEA is more than the district will use, to make the excess amount available to other districts in the State that need additional funds in accordance with criteria established by the State. In previous years, ISBE has allowed districts to put "unbudgeted funds" within their application if the district determined it did not need to spend its entire allocation within the current project year. ED views this action as an indication that the district does not need the money, and therefore, the funds should be reallocated to another district. Moving forward, districts will note there is no place in the application for districts to designate unbudgeted funds. Instead, districts must budget for their entire allocation. The "allotment remaining" box on the budget detail page must be zero. (See ISBE E-BULLETIN NO. 01-12-- <http://www.isbe.net/e-bulletins/default.htm>)

Districts can no longer hold back unbudgeted funds for future use, nor can they wait until their final amendment, submitted on or before May 31<sup>st</sup> (project end date of 6/30) or July 31<sup>st</sup> (project end date of 8/31), to order supplies and equipment for students who are no longer being served, or in fact, no longer in school. It is the intent of Title I, and thus it is strongly recommended, that districts order supplies and equipment early in the grant period so that Title I students and teachers can benefit from those supplies and equipment for as long as possible in the year the funds were awarded.

This will be a change in philosophy and practice for many districts. However, it is the direction the Title I program has taken, and the Title I Grant Administration Division will approve FY13 NCLB applications and amendments based on this principle. If there are questions about this change or the effects it may have on a district's program planning and design, the district should contact its NCLB Principal Consultant or the Title Grant Administration Division by calling (217) 524-4832 (Springfield office) or (312) 814-2220 (Chicago office).