

Iowa Department of Education

TITLE I GENERAL INFORMATION

Title I Part A of the Elementary and Secondary Education Act of 1965 (ESEA) provides local educational agencies (LEAs or school districts) with extra resources to help improve instruction in high-poverty schools and ensure that all children have a fair, equal and significant opportunity to obtain a high-quality education and to reach, at a minimum, proficiency on challenging academic standards. The *No Child Left Behind Act of 2001 (NCLB)* re-authorizes the ESEA and incorporates major reforms for education reform, particularly in the areas of assessment, accountability, and school improvement. NCLB requires the development of standards in reading and math, and assessments linked to those standards for all students in grades 3-8. LEAs and schools must use Title I funds for activities that scientifically based research suggests will be most effective in helping all students meet those standards.

STATE TITLE I POLICIES

Iowa has established a limited number of State policies that are not mandated by Federal regulations. These policies are as follows:

1. The SEA has established a \$1,000 minimum for a carryover allocation. Carryover funds are computed by subtracting the approved current budget figure from the current allocation. Title I legislation allows an LEA to carryover, at maximum, 15 percent of the current allocation for allocations of \$50,000 or more. However, the SEA may, once every three years waive the percentage limitation. LEAs having allocations of less than \$50,000 are limited only to the State established \$1,000 carryover minimum. **Note:** In order to use currently approved unspent funds as carryover, you must amend the previous year's current budget to the actual expenditures.
2. The SEA withholds funds from LEAs with delinquent participation data forms, equipment inventory and/or disposal record, comparability reports, parent involvement policy/student compacts or school improvement plans not on file as required.

TITLE I GRANT AVAILABILITY AND ALLOCATION PROCESS

Title I, Part A Grants

Title I, Part A funds are allocated to LEAs under four funding formulas. Basic grants represent roughly 90 percent of annual funding. Concentration grants have been appropriated since 1989-90 as additional funds allocated to LEAs with high numbers or percentages of low-income children. Beginning with the 2002-2003 school year, Congress has appropriated two additional supplementary mechanisms. Similar to concentration grants, targeted grants are intended to boost the share of Title I funds received by high-poverty LEAs by specifically focusing funds on the highest-poverty LEAs. Education finance incentive grants (EFIG) rewards states with high levels of school finance equity by giving all LEAs some extra money. Targeted grants and EFIG grants are not separate programs, but simply a way of providing extra aid to LEAs. Once the funds arrive at the LEA, they may be commingled and used for identical purposes. Title I grants to local education agencies provide financial assistance to LEAs for supplemental services to improve the teaching and learning of children at risk of not meeting challenging academic standards, especially those children who reside in areas with high concentrations of children from low-income families.

Title I is forward-funded. This means that funds are appropriated for a given Federal fiscal year (FFY) beginning October 1, but the monies are not available for expenditure until the school year (SY) that begins the subsequent July 1. For example, funds appropriated in the fall of 2014 for FFY 2015 (October 1, 2015– September 30, 2016) are available for SY 2015-2016, which begins July 1, 2015. Funds are available for 15 months (July 1, 2015 – September 30, 2016). The Tydings Amendment of 1969 allows LEAs to carry over for one additional year any Federal education funds that were not obligated in the period for which they were appropriated. Thus, appropriations are available for a total of 27 months. Carryover funds allow LEAs to maintain a reserve to cover unanticipated expenses or cushion the LEA from unexpected declines in Federal funding. In 1988, Congress enacted a 15 percent ceiling on the amount of Title I funds that an LEA may carry over from year to year. However, an LEA receiving an allocation of less than \$50,000 is exempt from the 15 percent limit, and states may grant an LEA a waiver to carry over funds in excess of the 15 percent limit once every three years.

Until the 1999-2000 school year, the U.S. Department of Education calculated allocations down to the county level, using several data elements. Counties did not actually receive funds, but were the smallest geographical unit for which the Federal government had all the necessary data. States sub-allocated the county amounts to LEAs within each county, in a separate allocation process.

Beginning in school year 1999-2000, the Title I statute required the U. S. Department of Education (ED) to allocate Title I grants to eligible LEAs rather than counties. ED allocations reflect the list of LEAs as they exist on maps provided to the Bureau of the Census by each state. Children, between the ages of 5 to 17, with the appropriate status (low-income, foster child, etc.) may be counted for the purpose of generating funds. These children are commonly termed “formula children.” The U. S. Department of Education determines the eligibility of each of these LEAs for a Title I grant using the number of formula children under section 1124(c) of Title I; that is, updated poverty estimates produced by the Census Bureau, children above poverty in families receiving Temporary Assistance for Needy Families (TANF), foster children reported by the Department of Health and Human Services, and children living in institutions for neglected children reported by each state to the U. S. Department of Education. (**Note:** In Iowa, there are no children receiving TANF payments who have family incomes above the poverty line.)

Census poverty data used in the federal allocation formula are derived from the decennial census and statistically updated every two years. For example allocations for LEAs, the U.S. Department of Education used income year 2000 census estimates and Iowa received a total 1.7 million dollar increase over previous year funding. Throughout the last decade, census data was updated at least biennially resulting in overall increases in Title I funding from year to year. Updated income year 2012 census estimated numbers of related children ages 5-17 in families in poverty, estimated total school-age population and the estimated total resident population for each LEA were used by ED to compute school year 2014-2015.

To be eligible for basic grants, an LEA must have at least 10 formula children **and** the number of formula children must be greater than two percent of the LEA’s total school-age population. To be eligible for concentration grants an LEA must have more than 6,500 formula children **or** the number of formula children must exceed 15 percent of the LEA’s total school-age population. To be eligible for targeted grants, the number of formula children counted in an LEA for basic grant purposes must be at least 10 and equal or exceed 5% of the LEA’s total school-age population. In addition, the funding formula adjusts the number of formula children to give greater weight to those LEAs that have higher numbers or percentages of formula children. The eligibility criteria used to determine whether an LEA qualifies for an education finance incentive grant (EFIG) allocation are the same as for targeted grants. The State’s EFIG is allocated to LEAs using a weighted formula similar to the targeted grants formula. The within-state weights used are determined to the degree to which expenditures are equalized across school districts.

Allocations to LEAs that serve an area with a total population of 20,000 or more will be the allocation determined by the U.S. Department of Education, subject only to SEA adjustments for hold-harmless requirements and reservations for State administrative funds. Title I legislation permits a SEA to combine

the U.S. Department of Education allocations to LEAs that serve an area of fewer than 20,000 total residents and use an approved alternative method to determine eligibility and redistribute the combined total of funds allocated to those “small” LEAs. In an effort to retain funding for as many Iowa school districts as possible, the Iowa Department of Education and the State Title I Committee of Practitioners examined allocation methods. The Iowa Department of Education is approved by the U.S. Department of Education to use the alternative allocation process that is found to be most equitable.

Prior to the 1999-2000 school year, the Iowa Department of Education used October free lunch counts and the most current year low-income dependent revenue data to determine the eligible formula counts for each LEA by county of residence. The county allocations were then allocated using the appropriate formula count and the county allocations compiled for each LEA to determine the new allocation and adjust according to the hold-harmless requirement.

With the approval of the U.S. Department of Education for the Iowa Department of Education to use an alternative allocation process, the SEA finds the use of free lunch and low-income data continues to be the most equitable method for allocating Title I funds to LEAs under 20,000 population. Therefore, the data elements used in allocating Title I funds in Iowa is free lunch counts as reported by LEAs and private schools annually for October 31 and low-income dependents, ages 5-17, as reported annually by the Iowa Department of Revenue and Finance from income tax returns. This data is compiled to determine low-income children for each LEA. Since this data could represent a duplicated count, an average is computed to determine the formula count for each LEA. From surveys of local neglected institutions, the caseload count representing the number of children from the October caseload who resided in the institution for 30 consecutive days, at least one of which was in October, is added to each LEA formula count as applicable. The population counts are the corresponding LEA enrollment of children ages 5 to 17 multiplied by 0.5. The LEA’s eligibility is based upon the number and percent of formula children; and alternative allocations made on the basis of eligible formula children.

Any funds allocated to an LEA for the purpose of serving local neglected children must be identified separately on the General Budget Detail form and included as part of the LEA’s Title I Current Project Budget of the Title I electronic Internet application.

The ED amounts for Title I, Part A grants will also include funds generated by children in locally operated institutions for delinquent children and adult correctional institutions that the SEA retains to make subgrants to LEAs under Part D, Subpart 2 of Title I. Surveys of local delinquent institutions provide October caseload data. Part D of NCLB requires the SEA to retain funds generated by local delinquent children and to make subgrants to LEAs through a formula or competitive grant process for programs that serve local delinquent children or children at risk of dropping out of school. In Iowa, the SEA allocates local delinquent funds to LEAs to provide services within institutions having a caseload of at least 10 children residing in the institution for 30 consecutive days at least one of which is in October. An LEA applies for local delinquent funds on the Delinquent Application, Delinquent Budget and Delinquent Narrative forms of the Title I electronic Internet application.

The Title I law specifies that if appropriations are insufficient to fully fund all Title I entitlements in any given year—which has been the case virtually from the start—grants will be ratably reduced. However, in the 1974 education amendments (P.L. 93-380), Congress adopted a mechanism to cushion LEAs from radical drops in their Title I allocations from one year to the next. The 1974 amendments created a “hold-harmless” provision that specified that, as long as an LEA was eligible for the program, it would receive a basic grant that was no less than 85 percent of the amount it received in the preceding year. This protected an LEA’s allocation regardless of any other variables that might affect the level of the allocation. For FY 96, there was a one-time exception providing eligible LEAs with a 100 percent hold-harmless for both basic and concentration grants. For FY 97 and succeeding years, Congress established a variable hold-harmless system, which was to provide greater security for LEAs with higher levels of poverty. Under this system, LEAs with at least 30 percent low-income children were guaranteed 95 percent of their previous year funds, LEAs between 15 and 30 percent poverty were guaranteed 90 percent, and LEAs below 15 percent were guaranteed 85 percent of their funds.

No hold-harmless was established for concentration grants. However, the FY 1998 Appropriations Act established a 100 percent hold-harmless provision at the LEA level for Basic **and** Concentration Grants for 1998-99, which was intended to limit the impact that the use of the updated census data had on allocations. The 100 percent hold-harmless provision was still in place for the 2001-2002 school year. Beginning in school year 2002-2003 the Title I legislation applied the variable hold-harmless rate of 85% to 95% based on the formula percent of low-income, to the funding formulas for all four grants (basic, concentration, targeted grants, EFIG). For concentration grants under NCLB, the hold-harmless provision applies to an LEA for four consecutive years even if the LEA no longer meets the eligibility threshold. Therefore, an LEA that was last eligible for a concentration grant in SY 2010-2011 but was not eligible in SY 11-12, 12-13, 13-14 and 14-15 will receive the hold-harmless amount in SY 2015-2016. If that LEA, however, fails to meet the concentration grant eligibility thresholds for SY 2015-2016, it will no longer be eligible for the hold-harmless guarantee.

By statute, the hold-harmless provision only applies as far as funding is available. It should be understood that the hold-harmless provision only provides a temporary cushion against a decline in funds; it does not establish a permanent floor for an LEA's federal funding. If a decline in the number of low-income children or a drop in program funding dictates a sharp reduction in an LEA's grant, the hold-harmless system simply allows the LEA to conduct an orderly phase-down of its federally funded activities. Moreover, LEAs that drop below the minimum poverty threshold for program eligibility will experience abrupt termination of their funding, without the benefit of a phase-out period.

All LEA amounts are ratably reduced to cover statutorily authorized set-asides for State administrative costs and school improvement activities. Title I legislation allows the SEA to reserve up to 1% of funds allocated under Part A to carry out administrative duties related to Title I. NCLB also requires the SEA to reserve 4% of Part A allocations to carry out state and local school improvement activities.

Migrant Education Program (Title I, Part C)

Migrant Education is a national program that provides supplemental education and support services to eligible migrant children each year. Migrant Education funds are allocated to SEAs to establish or improve programs of education for children of migratory agricultural workers or of migratory fishers. In compliance with the No Child Left Behind Act of 2001, LEAs systematically identify and serve migrant eligible students who reside within their area/boundaries. Services may vary from one LEA to another, depending upon the numbers of students identified and their needs. These services help children of migrant workers overcome the disadvantages they face, including disruption to their education. Services provided may include preschool programs, individual tutorial in the content areas, before and after school programs, summer school programs, supportive health services in cooperation with other agencies, Parent Advisory Council (PAC), and Spanish translating and interpreting services.

Migrant workers seek temporary or seasonal work in agriculture, fishing or related industries, including food processing. They follow the growing seasons across the country and are largely responsible for the cultivation and harvest of fruits, vegetables and many other food products. Agribusiness in Iowa includes meatpacking plants, grain companies, egg processing plants, poultry processing, crop work, and food processing plants. Many migrant workers have an average income below the national poverty line. The migrant population is made up of diverse ethnic groups. In Iowa, Hispanics make up the largest group, with Southeast Asians, African Americans, Anglos and other racial and ethnic groups completing the remainder of the migrant population. While many migrant families consider Iowa to be their home base, many come from Texas, California, Florida, Mexico and other states and countries.

To qualify for the Migrant Education program, a migrant child must have moved within the past three years across state or school district lines with, or to join, a migrant parent or guardian to enable the child, the child's guardian or member of the child's immediate family to obtain temporary or seasonal employment in an agricultural, fishing, or food processing activity. The child may be in any grade between preschool and grade 12 and must be 3 through 21 years of age (without a high school diploma or equivalent) to qualify to receive services in a migrant education program.

Each State's grant is based, in part, on the full-time equivalent number of migratory children, ages 3-21, who reside in the State, as adjusted to reflect migratory children served in special summer or intercession programs. In Iowa, the SEA allocates migrant education funds to LEAs on the basis of reported numbers of migratory children.

The LEAs must complete the Migrant Education Application, Migrant Budget, Migrant Budget Detail and Migrant Program Narratives forms of the online Title I Annual Application. Funding is allocated by formula to LEAs with 5% of the enrolled students identified as eligible migrant and is based upon the submission of a separate weighted funding application that details priority for services criteria such as mobility, limited English proficiency, and migrant student achievement.

2015-2016 Iowa Title I Migrant Education Programs

Eight Iowa school districts will receive 2015-2016 Migrant Education Program funding to provide supplemental preschool programs, before and after school programs, content area tutorials, health services and instructional resources. These 2015-2016 Migrant education programs will be funded in the community school districts of Columbus, Denison, Marshalltown, Ottumwa, Perry, Postville, Storm Lake, and Williamsburg. For information or assistance with the migrant education program in Iowa, contact Susan Selby at the Title I office at 515/281-4732 or susan.selby@iowa.gov.

Neglected and Delinquent Program (Title I, Part D, Subpart 1 and 2)

Title I, Part D, Subparts 1 and 2 of the Elementary and Secondary Education Act (ESEA), as amended by the No Child Left Behind Act of 2001 (H.R. 1/P.L. 107-110) authorizes grants to SEAs for education programs that serve children and youth in State-operated institutions or community day programs for neglected or delinquent (N or D) children and in adult correctional facilities. State allocations are based on the number of N or D children enrolled in a regular program of instruction for at least 1) 15 hours per week if in an adult correctional institution, and 2) 20 hours per week if in an institution or community day program for N or D children. State agencies responsible for providing free public education for N or D children apply directly to the SEA for these funds. In Iowa, the Iowa Department of Corrections and the Iowa Department of Human Services receive allocations that are determined, on the basis of the reported caseloads, by the U.S. Department of Education. The Iowa Department of Corrections provides Title I service at the Anamosa State Penitentiary, Clarinda Correctional Facility, Fort Dodge Correctional Facility, Iowa Correctional Institution for Women in Mitchellville, Mt. Pleasant Correctional Facility and Newton Correctional Facility. The Iowa Department of Human Services provides Title I service at the Iowa Juvenile Home in Toledo, State Training School in Eldora and Independence Mental Health Institute. For information or assistance with the State neglected or delinquent program in Iowa, contact Rick Bartosh at 515/281-0368 or richard.bartosh@iowa.gov.

Subpart 2 creates a program that provides assistance to local educational agencies (LEAs) to serve children and youth who are in locally operated correctional facilities, including institutions for delinquent children, or are at-risk of dropping out of school. State educational agencies (SEAs) award Subpart 2 funds to LEAs to conduct programs that provide a wide array of services to meet the special needs of at-risk children and youth. The U.S. Secretary of Education allocates Part D, Subpart 2 funds for each state based on the October caseload data on the number of children and youth living in local institutions for delinquent children. From funds allocated to the State for Part D, Subpart 2 purposes, the SEA awards subgrants to eligible LEAs. The SEA has the option of awarding subgrants either through a formula or a discretionary grant process based on need. In Iowa, grants are awarded on a formula basis to LEAs for local delinquent institutions with an October caseload of 10 or more. The LEA receiving local neglected and/or delinquent funding must act as the fiscal agent for these funds.

The purpose of the Subpart 2 program is to support LEA programs that involve collaboration between LEAs and local correctional facilities, including local institutions and community day programs for delinquent children and youth to carry out high quality education programs that prepare youth to complete high school, enter training or employment programs, or further their education; to facilitate the transition from programs in the institutional setting to further education or employment; or to operate dropout

prevention programs in local schools for youth at risk of dropping out or youth returning from correctional facilities or delinquent institutions.

LEAs receiving local neglected education funds designate program costs as part of the LEA general budget. To complete the local neglected application process, an LEA must complete the Title I electronic Internet application General Budget, General Budget Detail, Staff Assignment, and Local Neglected or Delinquent Narrative forms as appropriate. In addition, an agreement between the LEA and the local neglected institution must be completed and kept on file at the district as well as mailing a copy to the state Title I office. The LEA is also responsible for evaluating the local neglected Title I program.

LEAs receiving local delinquent education funds make application to use such funds on the Delinquent Application, Delinquent Budget, Delinquent Budget Detail, Staff Assignment, and Local Neglected or Delinquent Narrative forms as part of the Title I electronic Internet application. In addition, an agreement between the LEA and the local delinquent institution must be completed and kept on file at the district as well as mailing a copy to the state Title I office. For information or assistance with local delinquent education programs, contact the Title I consultant for your AEA.

AUDITING TITLE I FUNDS

The U.S. Congress amended the Single Audit Act of 1984 in 1996. The Office of Management and Budget (OMB) has withdrawn Circular A-128 and revised Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations," to include governmental entities previously covered by A-128. The revised circular, which regulates the implementation of the Single Audit Act Amendments of 1996, was released on June 24, 1997.

Previously, all LEAs regardless of Federal funding level were required to have their annual audits conducted in accordance with OMB Circular A-128, "Audit Requirements for State and Local Governments," or its successor. Currently, all Iowa local education agencies that expend a total of \$300,000 or more in Federal awards in any fiscal year will have an annual audit conducted in accordance with OMB Circular A-133 as is required by the Single Audit Act Amendments of 1996. LEAs expending less than \$300,000 in Federal awards in any fiscal year will not be required to have their annual audits conducted in accordance with OMB Circular A-133. Instead, those agencies will have an audit that follows the requirements of Chapter 11 of the Code of Iowa. SEA staff will review audits for areas of non-compliance and will follow up as appropriate.

The Single Audit Act Amendments of 1996 included language that limited the use of Federal money to pay audit costs. The Act stated that those LEAs expending less than \$300,000 in Federal awards in any fiscal year could not charge any of the costs of a Single Audit to Federal programs. LEAs expending at least \$300,000 in Federal awards in any fiscal year could charge to the Federal award a reasonable, proportionate share of the cost of the audit, if the audit was conducted in accordance with the Single Audit Act Amendments of 1996.

The exemption from conducting the annual audit in accordance with OMB Circular A-133 will not exempt an agency from compliance with any provision of a Federal statute or regulation that requires the agency to maintain records concerning Federal awards provided to it or that permits a Federal agency, pass-through entity, or the Comptroller-General access to such records. Questions and comments on this process should be addressed to Janice Evans, 515/281-4738 or janice.evans@iowa.gov.

CODING TITLE I ACCOUNTS

Immediately after receipt of a check for Title I funds, the check should be deposited to the credit of the proper Title I expenditure account using the updated Title I accounting codes for Uniform Financial Accounting. The proper codes for Title I are as follows:

4501 – Title I Grants to Local Education Agencies (CFDA 84.010A) including SINA funds

4503 – Migrant Education (CFDA 84.011)

4506 – Title I, Part D Subpart 2 Local Delinquent

4508 – Title I Grants to LEAs, carryover (Funds become available on July 1 and are coded under 4501 for the first 15 months, July 1 to September 30 of subsequent year; if funds are not completely obligated at the end of the 15 months, they become carryover funding coded to 4508)

Note: A word on interest-bearing accounts from the Iowa Department of Education Office of Internal Administrative Services:

Per 20 U.S.C. 1221e-3, 3474, and OMB Circular A-110, interest earned on Federal advances deposited in interest bearing accounts shall be remitted annually to the US Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Please note the CFDA number to which the interest earned applies. On each CFDA number, if the amount of interest earned is \$250 or less annually, that amount may be retained by the recipient for administrative expense.

If the funding received is being used to cover an expense incurred prior to the receipt of funds, this provision does not apply.

The approved Title I project budget expenditure category amounts are the controlling figures in determining the need for an amendment. A 10 percent variance is permissible for an expenditure category provided the total approved budget amount is not violated. The two exceptions to the 10 percent variance are:

1. Indirect Cost - This figure cannot exceed the amount approved in budget function 2300, column 8.
2. Employee Benefits - This figure cannot exceed the amount approved if only FICA and IPERS are the itemized approved charges. Salaries paid by Title I will be the controlling figure to use in computing the employee benefits amount. However, if insurance benefits have been approved in the budget, the 10 percent expenditure category variance could then be applied insofar as this cost item would affect the approved Title I expenditure category figure.

When the LEA realizes that the 10 percent expenditure category variance will hamper the Title I program and penalize the LEA in a financial manner, the proper procedure is for the LEA to file an amendment to the Title I electronic Internet application that will reflect the proper expenditure amounts (see the Amendment Instructions section of this document).

The title to and administrative control over equipment acquired with funds provided under Title I must be retained and exercised by a public agency. In exercising that administrative control, the public agency shall not only keep records of and account for the equipment, but also shall assure itself that the equipment is being used in Title I service delivery.

TITLE I PROGRAM REQUIREMENTS

Maintenance of Effort

An LEA may receive its full allocation of Title I, Part A funds for any fiscal year only if the SEA determines that the LEA has maintained its fiscal effort in accordance with Section 9521 of ESEA. Section 9521 provides that an LEA has maintained fiscal effort for any fiscal year only if the SEA finds that either the combined fiscal effort per student or the aggregate expenditures of the LEA and the State with respect to the provision of free public education by the LEA for the preceding fiscal year was not less than 90 percent of the combined fiscal effort or aggregate expenditures for the second preceding fiscal year. In addition to Title I, Part A, the maintenance of effort (MOE) requirement of Section 9521 apply to the following ESEA programs:

- Title I, Part D, Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or At-Risk;
- Title I, Part F, Comprehensive School Reform;

- Title II, Part A, Improving Teacher Quality State Grants;
- Title II, Part D, Educational Technology State Grants;
- Title III, Part A, English Acquisition State Grants;
- Title IV, Part B, 21st Century Learning Centers; and
- Title VI, Part B, Subpart 2, Rural Education.

If an LEA fails to meet the MOE requirement, the SEA must reduce the amount of funds allocated under the programs covered by the MOE requirements in any fiscal year in the exact proportion by which the LEA fails to maintain effort by falling below 90 percent of either the combined fiscal effort per student or aggregate expenditures.

For a year in which an LEA failed to maintain effort, the expenditure amount a SEA uses for computing maintenance of effort in subsequent years will be 90 percent of the prior year amount rather than the actual expenditure amount.

The Secretary of Education may waive the MOE requirement if it is determined that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster; or a precipitous decline in the financial resources of the LEA.

In determining whether an LEA has maintained fiscal effort, a SEA must consider the LEA's expenditures from State and local funds for free public education. These include expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities.

Expenditures for community services, capital outlay, debt service, or supplemental expenses made as a result of a Presidential disaster declaration are not to be included in the determination. In addition, any expenditure made from funds provided by the Federal government is excluded from the determination.

For purposes of determining maintenance of effort, the "preceding fiscal year" is the federal fiscal year, or the 12-month fiscal period most commonly used in a state for official reporting purposes, prior to the beginning of the federal fiscal year in which funds are available. For example, federal funds first available July 1, 2015, for federal fiscal year beginning October 1, 2014, (current state fiscal year beginning July 1, 2015), the preceding state fiscal year 2014 begins on July 1, 2013, and the second preceding state fiscal year 2013 begins July 1, 2012.

The following table gives an example of the maintenance of effort determination and reduction of funds as used for school year 2014-2015 allocation purposes.

		Aggregate Expenditures	Amount Per Student
1	Amount LEA spent in 2 nd preceding fiscal year (state FY 2012, which began July 1, 2011)	\$1,000,000	\$6,100
2	Amount LEA had to spend in the preceding fiscal year (state FY 2013, which began July 1, 2012) in order to maintain effort (90% of 2 nd preceding year's expenditures)	900,000	5,490
3	Actual amount LEA spent in the preceding fiscal year (state FY 2013)	850,000	5,200
4	Amount by which the LEA failed to maintain effort (Line 2-Line 3)	-50,000	-290
5	Percent the SEA must reduce the LEA's allocation (Line 4/Line 2)**	-5.6%	-5.3%
** The SEA uses the percentage that is most advantageous to the LEA			

In this example, which uses state fiscal year (FY) 2012 and FY 2013 as the comparison years, the LEA needed to spend \$900,000 in the aggregate during the preceding fiscal year (FY 2013) to meet the 90 percent level, but spent only \$850,000. As a result, the LEA failed to meet the 90 percent level by \$50,000 or 5.6 percent ($\$50,000 / \$900,000$). Similarly, on a per student basis, the LEA needed to spend \$5,490 per student during the preceding fiscal year, but spent only \$5,200 per student. The LEA failed to maintain effort on a per student basis by \$290 or 5.3 percent ($\$290 / \$5,490$). Therefore, unless the Secretary of Education grants a waiver, the SEA must reduce the LEA's school year (SY) 2014-15 allocation by 5.3 percent (the reduction most favorable to the LEA).

Both Title I schoolwide and targeted assistance programs are expected to meet Comparability and Maintenance of Effort requirements.

Supplement vs. Supplant in Title I Buildings

Under section 1120A(b)(1) of Title I, funds must be used only to supplement, not supplant the amount of funds that would, in the absence of Title I funds, be made available from non-federal programs. Title I funds may be used in targeted assistance buildings only for programs that provide service to eligible children identified as having the greatest need for special services. Title I funds may not be used in a targeted assistance program building to provide services otherwise required by law to be made available. Title I funds must not be used to supplant local funds in schoolwide program schools (Section 1114(a)(2)(B)).

A determination of supplanting necessitates determining what activities an LEA would conduct with non-federal funds if it had no Title I, Part A funds. Several situations give rise to a presumption of supplanting (i.e., a presumption that the LEA would conduct the activity with non-federal funds if it had no Title I, Part A funds available):

- a. the activity is required by local, State, or other Federal law;
- b. the LEA conducted the activity in the prior year with non-federal funds; or
- c. the LEA uses non-federal funds to provide the same activity for non-Title I students or in non-Title I schools that it provides with Title I, Part A funds for Title I students in Title I schools.

Supplement vs. Supplant

Non-Title I School:
ALL students receive
regular educational
program (all meals)



Breakfast Lunch Dinner

State required program.
Title I School: Title I
students get the regular
educational program
(all meals) in addition to
Title I services (a snack)



(Supplemental) →

Breakfast Lunch Dinner



If Title I was not here, Title I students would still get all meals. Title I is a **supplementary program**.

Supplanting Instruction NOT Allowed

Non-Title I students
receive regular
educational program
(all meals)



Breakfast

Lunch

Dinner

Title I students get
breakfast and
dinner. They get
nothing in place of
a full lunch.



(Supplanting)

Breakfast

Dinner

Title I students would not get what the regular education students receive. This is **supplanting** and constitutes a misuse of Title I funds.

Targeted Assistance Buildings

Schools ineligible to be schoolwide programs or those that choose to not operate a schoolwide program must use funds only for programs that provide services for children identified as in greatest need of assistance. Schools offering this type of Title I service are referred to as targeted assistance schools (TAS). The vast majority of Title I funded buildings in Iowa operate as a targeted assistance program.

A targeted assistance program targets services on specific, identified children. A student is eligible for services if he/she is failing or most at risk of failing, to meet the State's challenging student academic standards. Identification must be based on multiple, educationally related, objective criteria. Targeted assistance Title I services offered must be supported by a written selection process. For preschool through second grades, multiple developmentally appropriate measures, which may include teacher judgment and parent interviews, are used to identify children in greatest need. For grades three and above, multiple educationally related, objective criteria and uniform procedures are used to identify and select students in greatest need for program participation. Economically disadvantaged, disabled, migrant, ELL students and children who at any time in the two preceding years participated in Head Start or Even Start are eligible for Title I service based on the same criteria as other children. Children who at any time in the two preceding years received services in a local neglected or delinquent institution or in a neglected or delinquent community day program or who were considered homeless may also be eligible.

Title I funds must be spent on supplementary services for students most in danger of failing to achieve district reading and/or mathematics standards. Supplementary service is in addition to what would happen in the absence of Title I funds. Title I programs must be designed based on "scientifically based research." In a reading program, this includes phonics, phonemic awareness, vocabulary, fluency and comprehension. The LEA must have a parent notification policy for notifying parents of their child's eligibility to participate in Title I services; and must develop written procedures to enable children to enter and exit the program throughout the school year.

Title I Teacher responsibilities in **Targeted Assistance** Programs:

- Teach teaching by teacher paid with Title I funds;
- Co-teaching by teacher paid with Title I funds;

- Guided reading by Title I teachers as part of the regular class with both Title I and non-Title I students.

Title I Preschools

Local Title I funds may be used for preschool programming. No additional funds are provided for this purpose. A Title I preschool may operate in conjunction with an early childhood special education preschool program, a district-operated preschool, a private pay preschool, or a combination of those programs. Iowa Quality Preschool Program Standards (IQPPS) are recommended for all Iowa preschool programs. For IQPPS information contact Penny Milburn at 515/281-7844, penny.milburn@iowa.gov or Amy Stegeman at 515/725-2273, amy.stegeman@iowa.gov. For more information on programs and services to support early childhood education of Iowa's young children, refer to the web site at http://educateiowa.gov/index.php?option=com_content&view=article&id=1229&Itemid=2113.

Title I Program Evaluation

Federal legislation requires that an LEA have a system in place for annually evaluating the Title I program. The effectiveness of the implementation of, and results achieved by the Title I program, within each school, can be annually evaluated by using either Iowa's QIC-Decide model consisting of questions and the analyzing and sharing of collected data, or by using a series of program evaluation surveys distributed to all Title I families and classroom teachers at Title I schools. The annual review is intended to determine if Title I strategies are contributing to the desired outcomes of improved student achievement, greater parental involvement, and more high quality professional development. Parents and staff should be included in the review process for the purpose of suggesting potential programming needs and/or changes. The Title I school must revise its plan as necessary based on the results of the evaluation to ensure continuous improvement. The Title I program evaluation should focus on utility, relevance, and practicality; remain open to continuous feedback; adjust the program based on the feedback; determine what information is needed to make decisions; and be willing to commit to understanding what is really going on in the program. Title I services to private school students must be evaluated on an annual basis; include parent responses; and the evaluation results should be used for improvement of future services.

An effective LEA Title I Program evaluation should include:

- Information to understand the processes of the program.
- Feedback from students, parents, teachers, support staff.
- Current program outcomes and expectations.
- Instructional decisions made based on achievement data.
- Measures to understand, verify, or increase the impact of services for students.
- Improve delivery mechanisms to be more efficient and effective.
- Identify program strengths and weaknesses to improve the program.
- Verification that you are doing what you say and think you are doing.
- Gathering data to determine if your core program is sufficient. Determining if at least 80% of all students were proficient in reading/math in each grade on the Iowa Assessments.

TITLE I REPORTING REQUIREMENTS

Legislation places the responsibility for administering programs supported by federal funds under Title I on the Secretary of Education, state education agencies, and local education agencies. It is incumbent upon all concerned to use such funds in accordance with the spirit of the legislation.

The LEA must use grant funds in accordance with an approved budget and for the purposes for which the project has been approved. In addition, the LEA must maintain adequate records on all project funds by fiscal year and project number. The Title I budget and financial reports are designed to enable LEA fiscal reporting procedures to keep pace with the Generally Accepted Accounting Principles (GAAP) account

structure and federal reporting requirements. If you have any questions about using GAAP procedures for maintaining Title I financial records, call Janice Evans, School Administration Consultant, at 515/281-4740 or janice.evans@iowa.gov.

Annual Progress Report

The Annual Progress Report (APR) is a document that reports on an LEA's yearly progress. This document must be provided to the local community, respective AEA and the Iowa Department of Education. The requirements for this document are found in Chapter 12 of the Iowa Administrative Code. Progress for all buildings receiving Title I funds is included in this report. All schools and school districts are to submit an APR and Participation Rate Matrix annually by September 15. A technical assistance document is found at http://educateiowa.gov/index.php?option=com_content&task=view&id=298&Itemid=368.

Comparability Report

The Title I Comparability Report is mandated by Section 1120A(c) of NCLB. Comparability reports ensure that Title I funds are not being used to replace district funds (Supplement vs. Supplant). An LEA may receive Title I, Part A funds only if it uses State and local funds to provide services in Title I schools that are at least comparable to the services provided in non-Title I schools. If all schools in an LEA are Title I schools, the LEA must use State and local funds to provide services that are substantially comparable in each school. Because Title I allocations are made annually, this is an annual requirement. Title I schools must receive comparable services each year. LEAs must maintain records and evidence of procedures for compliance of comparability. Records must be kept on file in the district for five years and made available, upon request, to local, state, and federal authorities for auditing and/or program review purposes.

- ◆ The LEA may exclude schools that have fewer than 100 students (use official enrollment date).
- ◆ A district that has only one school per grade span, with no overlapping grades between schools, does not need to complete a comparability report.
- ◆ Only LEAs with two or more buildings of similar grade spans and at least one Title I school must report on comparability.

Because the SEA is ultimately responsible for ensuring that LEAs comply with the comparability requirement, the SEA may establish the method a district uses to determine comparability.

Iowa school districts that are required to report on comparability will be notified by the state Title I office. Approximately 17% of Iowa school districts are currently required to report on comparability.

Comparability Report Forms will be sent to districts that must report on comparability. LEAs will use the official October 1 enrollment information for pupil counts and staff FTEs. The Comparability Report is annually due November 15.

Questions regarding comparability may be directed to Sandy Johnson at 515/281-3965; or sandra.johnson@iowa.gov.

The following districts were required to report comparability in the 2014-2015 school year:

Ames	Eddyville-Blakesburg	Marion Ind	Sioux City
Ankeny	Fairfield	Marshalltown	Southeast Polk
Bettendorf	Fort Dodge	Mason City	Sumner Fredricksburg
Boone	Fort Madison	Mid-Prairie	Union
Burlington	George-Little Rock	MOC-Floyd Valley	Urbandale
Cedar Falls	Grinnell-Newburg	Mount Pleasant	Wapsie Valley
Cedar Rapids	Griswold	Muscatine	Waterloo
Charles City	Highland	Newton	Waukee

Clear Creek-Amana	Indianola	North Butler	Waverly-Shell Rock
Clinton	Iowa City	North Cedar	West Central Valley
College	Johnston	North Polk	West Des Moines
Council Bluffs	Le Mars	North Scott	Western Dubuque
Davenport	Linn-Mar	Ottumwa	West Fork
Des Moines	Maquoketa Valley	PCM	
Dubuque		Pella	

FINANCIAL REPORTING

Title I Part A Funds

Although the U.S. Department of Education makes allocations to LEAs, the SEA is the grantee; funds are drawn by the SEA and forwarded to each LEA. To apply for Title I funding, an LEA must submit an application consisting of statistical and fiscal data to obtain funding for a proposed program to help disadvantaged children meet high standards. The Title I Annual Application is an electronic process via the Internet. The benefits of the electronic process include ease in completion of forms and elimination of errors via electronic calculations and error messages; also paper reduction and relief of mail delays as well as quicker response time for approval. The Title I electronic application has undergone some revisions necessary to ensure that the application will bring the SEA and the LEA more in compliance with federal regulations and statutes. The Title I application for 2015-16 is new and improved. The required data elements remain the same under NCLB but the application process is more user friendly. Title I funds may be used to acquire hardware and proper connections, if necessary.

Title I payment authorization dates are November 1, January 3, and April 1. Title I payment authorization dates designate when the Title I payment process to LEAs will be initiated. It is the intent of the Title I office and SEA accounting unit that the payment will be received by the district at the earliest possible date but no later than the end of the payment authorization month. One month prior to the November and January authorization dates, districts with late reports will receive an email from the Title I administrative assistant to alert the LEA that no payment will be received unless the late report is received within 10 days. Late reports would include, as applicable, participation report (due July 15), parent involvement policy and student compact (due September 15 with Title I application), comparability report (due November 30).

On **November 1** Title I payment will be authorized for all districts that have, at minimum, applied and have a district certified general and/or carryover budget. Payment is 25% of general budget and 50% of carryover budget amount. No local delinquent or migrant budget payment unless they happen to be fully approved; and, then, payment would be 25% of each budget approved amount. Payment held for districts with late reports (i.e. participation report).

The **January 3** Title I payment will be authorized only to LEAs with district certified and State approved budget. Payment is 25% of general, local delinquent and migrant budget approved amount, 50% or 100% of carryover budget approved amount. Payment held for districts with late reports (i.e. participation or comparability report).

An **April 1** Title I payment will be authorized only to districts with certified and approved budgets and no late reports. Payment is 25% of general, local delinquent and migrant budget approved amount; 100% for any carryover budget approved but not paid.

Final payment on the Title I project, not to exceed the balance due on the approved amount, will be made after the project is closed and the Project Budget Completion process has been completed and approved by the State Title I Office. The final payment will be the difference between receipts and approved actual expenditures. Carryover projects are forward funded; then the LEA will be expected to complete the final certification process to close the project. The Payment Status form on the Title I electronic Internet application will keep the LEA abreast of the allocation, approved amount and payments received to date.

When the LEA has a summer school program for its sole Title I program, one check will be sent when the program is completed.

At any time after April 15, an LEA may certify any budget as final provided the expenditures for that project are final or considered fixed, such as salary and/or benefit costs. All projects must be certified as final no later than **July 15**. Prior to clicking the **Finish** button, an LEA should review the approved budget to verify that it accurately reflects the way the Title I funds were spent for that project. If an amendment process is necessary, it will be necessary to amend and wait for State approval of the amendment before the project is closed with the **Finish** button. With prior approval from the Title I administrative consultant, LEAs with budgets over one million dollars will have until August 10 to amend and finalize budgets.

A separate set of ledger cards and/or computer data management system must be maintained according to Generally Accepted Accounting Principles for each approved project. This data management system should include expenditure category account codes, vendor's name, amount paid, invoice number, date paid, and check number. These data records must be available for audit purposes and submission to the SEA upon request.

The final financial reporting process is completed via the Title I electronic Internet application. As soon as possible after all bills have been paid, the General Budget form, General Carryover form, Migrant Budget form, and/or Local Delinquent Budget form should be reviewed by expenditure category to verify that the approved budget reflects total actual expenditures, to be reimbursed by Title I, at the completion of a project. **If changes need to be made in order for the budget to accurately reflect actual expenditures, an electronic amendment process is completed first and then the final certification takes place following the SEA approval of the amendment.** If the budget is correct, the user simply clicks on the **Finish** button and the project is complete. The SEA will in most cases, make final payment within two or three weeks of the LEA certifying the budget as final. All Title I budgets are to be finalized no later than **July 15**. Please refer to the Reporting Title I Expenditures section of this guidance on closing out a Title I budget. **By law, Title I records must be kept for a total of 5 years plus current.**

TITLE I PROGRAM FORMS

The following represents an explanation of forms and timelines relating to a normal one-year cycle in the Title I program.

Title I Electronic Internet Application Processes:

1. Title I Electronic Internet Application - due in approvable form by September 15 for following school year, and the Selection of Schools form is due by August 15.

The Title I electronic Internet application is submitted by LEAs to obtain funding for a proposed program to help disadvantaged children meet high standards. The funds are available for a 27-month period (e.g. 7-1-14 to 9-30-16). The Title I Annual Application is only available in electronic format.

- ⇒ Any LEA applying for Title I funds for the current school year must complete the Annual Application, Selection of Schools, Staff Assignments, Project Narrative, Homeless Education and General Budget forms. The Within District Targeting of Funds, General Carryover, Statement of Agreement, Migrant Application, Schoolwide Operating Programs, Schoolwide Indication of Planning, and Delinquent Application forms are completed as applicable.
- ⇒ This document includes an explanation of the application parts and step-by-step instructions for completing the electronic application.
- ⇒ The Title I electronic Internet application may be accessed at <https://portal.ed.iowa.gov>. The Iowa Department of Education Iowa Education Portal site will appear. On the blue navigation menu bar, highlight "A&A Account" and click on "Sign In." On the "Sign In" tab, enter your Account ID (email address) and password to sign into DOE – Education Portal. Click the "Sign In" button.
- ⇒ The person responsible for the Title I financial records for the LEA needs to have a copy of the approved application and any amended budgets, as well as invoices from teachers, principals, etc. This is especially important when the financial person and the Title I coordinator are not the same person.

⇒ The allocation letter, sent via email to the superintendent and Title I coordinator, will give the amount of funds available for each type of grant monies for which the LEA qualifies. While an earlier notification date is desirable, the allocation letter is usually sent in June or July depending on the release of allocations by the U.S. Department of Education.

2. Project Budget Completion Final Certification - due after approved expenditures are paid – no later than July 15

- ⇒ After April 15, the LEA will have a **Finish** button appear on the General Budget form, General Carryover form, Migrant Education Budget form, Local Delinquent Budget form and/or Schools in Need of Assistance (SINA) Budget form of the Title I electronic Internet application.
- ⇒ This **Finish** button is to be used to certify the project for final payment.
- ⇒ This should be done **only after** all approved expenditures for that project have been paid. The difference between the amount paid to date and the expenditures is the final payment that closes the project. If the expenditures on the Title I budget are accurate, final, match the ledger and approved by the school business official as the figures to be reported on the CAR report, please select the “Finish” button on the appropriate Title I project budget screen. You are reminded that the “Finish” button when the status is Waiting District Final Approval should not be selected until you are certain all project budget expenditures are final and accurately listed in the project budget being certified as complete. Don’t forget to click on the green “Submit” button to submit to the State.
- ⇒ If a carryover project is being reported and the total approved amount has already been received, the **Finish** button is used to certify that expenditures have been paid as approved and close the project.
- ⇒ This process replaces sending in a paper final financial report to close a project.
- ⇒ Please refer to the Reporting Title I Expenditures section for further guidance in the final certification process.
- ⇒ **If the approved project budget does not accurately reflect actual expenditures, an electronic amendment process must be completed prior to the project completion final certification.**
- ⇒ This final certification process should be used by the LEA to report final expenditures on all approved Title I projects.
- ⇒ The electronic application may be accessed at <https://portal.ed.iowa.gov>. The Iowa Department of Education Iowa Education Portal site will appear. On the blue navigation menu bar, highlight “A&A Account” and click on “Sign In.” On the “Sign In” tab, enter your Account ID (email address) and password to sign into DOE – Education Portal. Click the “Sign In” button.
- ⇒ The expenditures verified by the LEA through the project budget completion final certification process will be compared with the audit report to verify proper accounting of Title I funds.

3. Amendment to Title I Electronic Internet Application – may be completed as needed

- ⇒ When a change in budget items or program content needs to be made in the approved Title I budget, the LEA needs to submit an electronic amendment. This process can be completed whenever the need arises prior to completing the project budget completion final certification.
- ⇒ **Any General Budget funds approved but not spent are only available as carryover funds through an electronic amendment that reduces the approved budget to a budget that reflects only actual expenditures.**
- ⇒ The ability to amend is part of the Title I electronic Internet application filing process. Please refer to the guidance that gives detailed instructions on amending a Title I project budget.
- ⇒ The Title I electronic Internet application may be accessed at <https://portal.ed.iowa.gov>. The Iowa Department of Education Iowa Education Portal site will appear. On the blue navigation menu bar, highlight “A&A Account” and click on “Sign In.” On the “Sign In” tab, enter your Account ID (email address) and password to sign into DOE – Education Portal. Click the “Sign In” button.

4. Comparability Report – due annually on November 15

- ⇒ **Iowa school districts containing two or more buildings with similar grade spans must report on comparability.**
- ⇒ Done as a paper report in the past, will be converted to the new Title I electronic Internet application process for 2014-15..
- ⇒ Comparability should be performed annually.

5. Title I Participation Report – due by July 15

- ⇒ The *Title I Participation Report* is the means by which LEAs report various statistical data to the SEA as it relates to current school year Title I programs and students served.
- ⇒ The *Title I Participation Report* survey monkey link is forwarded through e-mail to selected Title I coordinators.
- ⇒ All data relating to public school students served can now be gathered from Student Reporting in Iowa (SRI).
- ⇒ The *Title I Participation Report* must be completed before the LEA can receive funds on the next year's Title I project.
- ⇒ Local neglected or delinquent institutions receiving Title I funding must complete a separate report including statistical and academic performance data.
- ⇒ LEAs receiving local neglected or delinquent funding must assure the statistical data for local neglected or delinquent children served is reported by the institution.
- ⇒ Local neglected or delinquent institutions receiving Title I funding should develop a method for collection of the appropriate data to ensure funding is not jeopardized due to a failure to report according to Federal requirements.
- ⇒ These data are required elements that must be reported by the SEA to the U.S. Department of Education annually.

6. Title I Equipment Inventory and Disposal Record - due September 15

- ⇒ It is important for the LEA to maintain title to and control of Title I funds, books, materials, equipment, and property. In exercising that administrative control, the public agency shall keep records of and account for the equipment, but shall also assure itself that the equipment is being used in Title I service delivery. Materials of any kind purchased with Title I funds may be used only by Title I participants and under the direction of Title I paid staff. Each item purchased with Title I funds must be labeled "Property of _____ School District." The labels should not be either easily erased or removable.
- ⇒ The LEA must locally maintain an inventory of equipment purchased with Title I funds and include this equipment in the Title I application.
- ⇒ An LEA is required to depreciate equipment following the *Depreciation Schedule for Title I Equipment* and report annually on the *Title I Equipment Disposal Record* the equipment deleted from inventory.
- ⇒ The *Title I Equipment Inventory form* is available as part of the Title I program application.

7. Local Neglected and Delinquent Agreement for Title I Part D Programs – due September 15

- ⇒ The Local Neglected and Delinquent Agreement is required between a local education agency receiving Title I Part D, Subpart 2 funds and the local neglected or delinquent institution generating those funds.
- ⇒ A sample agreement may be viewed at <http://www.educateiowa.gov> under Title I Part D.
- ⇒ The Local Neglected and Delinquent Agreement must be uploaded to the Title I application and also kept on file at the district office.
- ⇒ The Local Neglected and Delinquent Agreement must be reviewed annually.

Paper Forms:

1. Title I Participation Report – due by July 15

- ⇒ The *Title I Participation Report* is the means by which LEAs report various statistical data to the SEA as it relates to current school year Title I programs and students served.
- ⇒ The *Title I Participation Report* is forwarded as needed through e-mail to selected Title I coordinators.
- ⇒ All data relating to public school students served can now be gathered from Student Reporting in Iowa (SRI).
- ⇒ The public school district should report ONLY private school student data as applicable.
- ⇒ The *Title I Participation Report* must be completed before the LEA can receive funds on the next year's Title I project.

⇒ These data are required elements that must be reported by the SEA to the U.S. Department of Education annually.

**2. Number of Public School Students Qualifying for FREE Lunches - due November 30
Number of Private School Students Qualifying for FREE Lunches - due November 30**

⇒ Only report the FREE lunch count of K-12 students aged 5-17, as of October 31.

⇒ Data are used as part of the formula count used to allocate Title I funds.

⇒ LEAs in whole grade sharing agreements report **only their own resident children** regardless of the school district they attend.

⇒ The **receiving** LEA counts open enrolled students.

⇒ Private school students are reported according to their public school district of residence.

⇒ The counts are compared against what is reported for October to the Bureau of Nutrition Programs and Health Services.

3. Request for Title I Reallocation Funds

⇒ Reallocation funds are Title I Part A grant funds that were allocated to LEAs but not used in the previous year and not available to the LEA as carryover funds in the following year. These funds are then reallocated to other LEAs meeting the eligibility criteria.

⇒ An LEA is eligible to receive reallocation funds if the LEA shows a poverty increase over the state average since the most recent decennial census (i.e.: 2010 census data compared to the most recent Iowa Department of Revenue and Finance low-income data). Iowa Department of Revenue and Finance low-income data represents dependents, age 5-17, reported on Iowa income tax returns.

⇒ A *Request for Title I Reallocation Funds* is sent to each eligible LEA to allow the LEA an opportunity to apply for reallocation funds. The award of reallocation funds is based upon greatest need as justified in the LEA request. Once the *Request for Title I Reallocation Funds* is reviewed by the SEA, the LEA is notified of the available reallocation grant, if any.

⇒ Because reallocation funds are from the previous year's funds, the approved reallocation funds for each LEA must be used as a carryover project and is added to the LEA's Title I electronic Internet application as such.

⇒ The timeline for the reallocation process varies. It has recently been January through April; but it is possible for reallocation to take place in October or November.

4. Notification of Excess Title I Carryover Funds – sent by SEA annually in March

⇒ Carryover funds are the difference between the allocation and the approved amount on the current budget.

⇒ Current legislation limits carryover funds to 15 percent of the current year allocation if the LEA allocation is \$50,000 or more.

⇒ The SEA mails the *Notification of Excess Carryover Funds* in March of each year to notify LEAs of excess carryover funds for the coming school year and the option/s available to the LEA for retaining control of these excess funds.

⇒ The SEA may, once every three years, waive the percentage limitation with respect to carryover.

⇒ All excess funds, not retained by the LEA through an electronic amendment to the current budget or submission of the *Request for Waiver of Excess Title I Carryover Funds*, are considered reallocation funds and become available to LEAs meeting reallocation eligibility.

5. Request for Waiver of Excess Title I Carryover Funds – may be submitted at any time

⇒ Carryover funds are the difference between the allocation and the approved amount on the general budget.

⇒ The general allocation and general approved amount can be found on the General Budget or Payment Status forms of the Title I electronic Internet application.

⇒ The Title I electronic Internet application may be accessed at <https://portal.ed.iowa.gov>. The Iowa Department of Education Iowa Education Portal site will appear. On the blue navigation menu bar, highlight "A&A Account" and click on "Sign In." On the "Sign In" tab, enter your Account ID (email address) and password to sign into DOE – Education Portal. Click the "Sign In" button.

- ⇒ Current legislation limits carryover funds to 15 percent of the current year allocation if the LEA allocation is \$50,000 or more.
- ⇒ The SEA emails the *Notification of Excess Carryover Funds* each year in March to notify LEAs of excess carryover funds for the coming school year.
- ⇒ With the submission of the *Request for Waiver of Excess Title I Carryover Funds* by the LEA the SEA may, once every three years, waive the percentage limitation with respect to carryover.
- ⇒ Excess funds that are not retained by the LEA through the approval of the Request for Waiver of Excess Title I Carryover Funds or through an electronic amendment to the current budget are considered reallocation funds and become available to LEAs meeting reallocation eligibility.

6. Notification of Unexpended Funds for Choice-Related Transportation & Supplemental Education Services

- ⇒ In year 1 of identification for SINA or Delay, a district MUST reserve 20% of district allocation for Choice-Related Transportation.
- ⇒ In year 2 or above of identification for SINA or Delay, a district MUST reserve up to 20% of the district allocation for Choice-Related Transportation and Supplemental Education Services.
- ⇒ It is up to the district how the split is made, but between the two spots on the budget (line 1000 column 300 and line 2700 column 300) the total must be at least 20% of district allocation.
- ⇒ An LEA must provide written explanation of the school choice transfer option to all parents even if no choice transfer options are currently available.
- ⇒ The LEA must annually notify parents, through widely available and accessible means of broad dissemination, about the availability of supplemental education services.
- ⇒ These parent notices must be provided by the LEA at a minimum of two enrollment windows at separate points in the school year that are of sufficient length to enable parents of eligible students to make informed decisions.
- ⇒ Once the above has been assured by the LEA, the Notification of Unexpended Funds for Choice-Related Transportation and Supplemental Education Services may be obtained from and submitted to Susan Selby, susan.selby@iowa.gov for the purpose of reverting unused set-aside funds to the district's Title I general budget to be used on other allowable activities.
- ⇒ The Notification of Unexpended Funds for Choice-Related Transportation and Supplemental Education Services may also be accessed through this link <\\Ed\data\EDGroup\Title One\Notifications of Unexpended Funds\Notification of unexpended funds 2013.8.29.docx>.

By law, Title I records must be kept for a total of 5 years plus the current project year.

SUGGESTIONS FOR MAINTAINING TITLE I FISCAL RECORDS

1. Using Generally Accepted Accounting Principles, establish separate ledger cards or a computer data management system for each approved Title I project. Keep obligations and expenditures current in order to have an unencumbered balance and actual expenditures on each expenditure category at all times. This will alert you when an amendment to a project is needed.
2. At the close of the project, after all bills are paid, the data management system will help determine expenditure totals by expenditure category for the project budget completion final certification. Keep in mind that the project budget completion final certification is very important in that it is the method of reporting actual approved Title I expenditures for the project, which is the basis for the final payment and affects carryover available for the coming school year.
3. The data management system will make it easier for the auditor at the time of the annual LEA audit to determine expenditures of Title I funds. If you also use ledger cards as a back-up system, these records can be used in conjunction with computer printouts.
4. You must be aware of approved project budgets. A copy of the approved Title I application, including attachments, and any amended budgets should be part of the Title I file.

5. Copies of invoices should also be part of the Title I file and should include the project number. Teachers, principals, etc., should be aware of the need for this information. The project number appears at the bottom of the Annual Application form of the Title I electronic Internet application and consists of the four-digit district number, a letter or combination of letters representing the funding source, and a two-digit number representing the fiscal year.
6. At the time the Title I Application is approved, expenditures for approved equipment should be reflected in the additional items added to the LEA equipment inventory. Equipment purchased with Title I funds should be labeled "Title I."
7. Supporting documentation for entries in the accounting records is very important at the LEA level. Function, expenditure account and object as approved in the Title I budget should identify expenditures applicable to a Title I project. In addition, the assigned project number should reference expenditures to each separate project.
8. Please note that Title I, Part A payments (General, General Carryover, and SINA Budgets) should all use revenue source code 4501; Local Delinquent payments should be coded to 4506. Title I, Part C payments for Migrant Budgets should use revenue source code 4503.
9. The Payment Status form of the Title I electronic Internet application will provide a payment history with cumulative payments of all projects for the current school year. This detailed information will allow the LEA to determine if quarterly payments have been made, the balance to be received on a particular project, how the approved budget and actual expenditures are matching up, and the anticipated final payment.
10. Please notify the state Title I office if any discrepancy arises regarding the payment history recorded on the Payment Status form of the Title I electronic Internet application.
11. All Title I project budgets must be closed by July 15.
12. By law, Title I records must be kept for a total of 5 years plus the current project year.

SUGGESTIONS FOR MAINTAINING TITLE I PROGRAM RECORDS

With an enhanced focus on compliance monitoring, the U.S. Department of Education is requiring states to audit LEAs on a regular basis. The Iowa Title I office is in the process of designing a desk audit procedure for LEAs with smaller allocations. To facilitate the flow of the desk audit and verify compliance, the LEA Title I program records should include documentation of the following major areas of program review.

- o Eligible building selection;
- o Financial management (within district targeting of funds);
- o Title I program plan;
- o Highly qualified staff;
- o Paraprofessional certification;
- o Comparability;
- o Parent Involvement;
- o Program evaluation;
- o Coordination of services;
- o Standards, assessment and accountability;
- o Identification and selection of eligible participants in targeted assistance programs;
- o Title I funded personnel;
- o Schoolwide programs plan, program and activities;
- o Private school consultation, identification and selection, program, control of funds processes;
- o Schools in need of assistance action plan, peer review process, parent involvement, technical assistance, corrective action processes, professional development.

Please refer to the LEA Review document in the Appendix section of this reference manual for specific review documentation information and options.

By law, Title I records must be kept for a total of 5 years plus the current project year.

SCHOOLS IN NEED OF ASSISTANCE

The reauthorized Elementary and Secondary Education Act (ESEA) *No Child Left Behind Act of 2001* continues to emphasize the goal of all students being proficient in reading and mathematics. Each year LEAs provide the adequate yearly progress (AYP) data of students in Title I schools. When a school fails to make AYP for a single year, it is identified as a school in the “Watch” year. Schools in “Watch” year status do not face sanctions. However, to fulfill Title I Federal requirements (Section 1119) of ESEA, school buildings that do not make adequate yearly progress are designated as schools in need of assistance (SINA). Buildings identified for two or more consecutive years in reading and/or mathematics must participate in a technical assistance program provided through the SEA. Efforts at the state, district and building levels must concentrate on actions that will be undertaken to assist all students in attaining proficiency. LEAs should be cognizant of this requirement and plan educational programming that implements strategies for improved student achievement.

Reauthorized (ESEA) Title I legislation requires buildings identified as SINA to publish a public notice related to this identification. In addition, this notice must provide parents with information regarding school choice options within the LEA. The school choice requirement does not apply if the identified building is the **only building** within the district with the same grade span grouping.

A Statewide Support System for SINA has representatives from each area education agency. These individuals have received training to assist identified schools. The five phases of the assistance design include audit, diagnosis, design, implementation and evaluation. An identified school must develop an action plan within ninety days of notification by the Iowa Department of Education. A copy of the action plan template that schools in need of assistance must submit electronically can be found in the SINA section. For further information regarding SINA issues or the Statewide Support System process, contact Geri McMahon at 515/281-3944; geri.mcmahon@iowa.gov.

SCHOOL CHOICE REQUIREMENTS

Any local education agency with Title I schools identified as in need of assistance must, as the Federal law requires, “provide all students in a school identified for school improvement with the option to transfer to another public school within the local education agency (LEA) that has not been identified for school improvement.” For additional information regarding school choice requirements, contact Susan Selby at 515/281-4732 or susan.selby@iowa.gov.

TITLE I SUPPLEMENTAL EDUCATION SERVICE PROVIDERS

Under Title I, Part A, of the *No Child Left Behind Act of 2001* (Elementary and Secondary Education Act), low-achieving, disadvantaged students attending schools that do not make adequate yearly progress for three consecutive years (i.e., schools that are in their second year of improvement) may receive Supplemental Education Services.

States are responsible for identifying eligible supplemental education service providers (SSPs) that offer high quality, research-based tutorial programs designed to increase the academic achievement of children. State education agencies must develop and apply objective criteria to create approved lists of SSPs. States must also consult with parents, teachers, school districts and interested members of the public to identify a wide array of SSP options for students. States must update this list of approved SSPs on at least an annual basis, provide a list for school districts of the approved providers in their geographic area, and assist with the monitoring of services and program implementation.

School districts are required to arrange for the provision of Supplemental Education Services (SES), offered outside of the regular school day, that align with district content standards and instruction, and must provide parents with information on the availability of Supplemental Education Services, the identity of approved service providers, and, at a minimum, a brief description of the services, qualifications, and demonstrated effectiveness of each provider. While school districts are to pay the per pupil allocation for services provided, districts are not required to provide transportation for Supplemental Education Services. A school district with schools identified for Supplemental Education Services, must set aside an equivalent of 20% of the LEA Title I allocation as follows: 5% for school choice, unless parent demand for school choice transportation can be met with less; 5% for Supplemental Education Services; and the remaining 10% available for Supplemental Education Services and/or school choice as need demands.

Parents choose the SSP for their children from among the providers approved by the State for their school district.

A private provider, the school district unless identified in need of improvement, schools from within the LEA that are not identified as SINA, and area education agencies may be approved to provide Supplemental Education Services. Supplemental Education Service providers must ensure that instruction is research based, of high quality and is consistent with local standards. SSPs must provide academic assistance to students outside of the regular school day; work collaboratively with the school district, principals, and parents, and provide written feedback to the parents and school district regarding student progress. To be on the approved list of State Supplemental Education Service providers, SSPs must meet all applicable federal, state and local health, safety and civil rights laws. *The Application for Supplemental Education Service Providers* can be found on the Iowa Department of Education web site at educateiowa.gov/index.php?option=com_content&view=article&id=1635&catid=497&itemid=2441. You will find the SES Providers Application under the SES Provider Information section. The site will also provide a SES toolkit, a listing of current SES providers, a code of ethics for SES providers and a presentation covering the federal requirements for SES implementation within school districts with schools in need of assistance. For additional information regarding supplemental education service providers, contact Susan Selby at the Title I office at 515/281-4732 or susan.selby@iowa.gov.

TEACHER LOAN CANCELLATION

The SEA has the responsibility of annually compiling a listing of Iowa low-income schools that becomes part of a national online directory of low-income schools for the purpose of providing teacher student loan cancellation or forgiveness for borrowers of Federal Stafford Loans, William D. Ford Direct Subsidized and Unsubsidized Loans, Federal Consolidation and Direct Consolidation Loans, and Federal Perkins Loans. To be eligible to be listed, the LEA must be eligible for Title I funding and the low-income percentage for the attendance center must exceed 30 percent. The source for the low-income information is free and reduced eligible meal student data. The schools with a low-income percentage exceeding 30% in the current school year will provide full-time teachers the opportunity to apply for loan cancellation benefits. The actual benefits vary by individual circumstances. To apply for loan cancellation benefits, request the appropriate application from the office that administers the loan program at the college or university that holds the loan. The State listing for the coming school year is submitted annually and is normally published online sometime in December. To verify the eligibility of a school within the state of Iowa, contact Geri McMahon at 515/281-3944 or geri.mcmahon@iowa.gov.

The national directory may be searched at www.tcli.ed.gov.

The Iowa Department of Education annually designates “teacher shortage areas” for the State. Educators teaching full-time in a designated teacher shortage discipline may be eligible for up to three years of deferment on Stafford Student Loan and/or Supplemental Loans for Students (SLS). The teacher shortage areas and information regarding the deferment process are available at www.iowa.gov/educate. Educators teaching in these shortage areas may also qualify for cancellation benefits under the Federal Perkins Loan Program. Refer to the U.S. Department of Education web site for more information (www.studentaid.ed.gov).

A change to the Teacher Loan Program in 2005 authorized up to \$17,500 in loan forgiveness to eligible highly qualified math, science and special education teachers through the Taxpayer-Teacher Protection Act (P.L. 108-409). This increase above the previous loan limits is meant to ease the shortage of teachers in key subject areas. The additional loan forgiveness will provide substantial relief for existing teachers and an incentive for prospective teachers to teach in subjects and schools that have difficulty hiring highly qualified candidates. For detailed information on the program and to find out if you qualify for the loan forgiveness, call the Federal Student Aid Customer Service hotline at 1-800/433-7327. More information on the loan forgiveness limits is posted at www.ifap.ed.gov/dpclatters/GEN0414.html.

The state of Iowa also offers cancellation benefits to teachers. The Iowa College Student Aid Commission (ICSAC) is an excellent resource regarding loan cancellation benefits for educators. The web site is www.iowacollegeaid.gov and provides a wide variety of assistance and information as well as an eligibility flowchart, applications and links to other sources educators will find helpful. The ICSAC can be contacted by phone at 1-877/272-4456 or email at info@iowacollegeaid.gov.

The Teacher Career Establishment Grant helps new classroom teachers in state-designated subject shortage areas. Each recipient will be awarded up to \$2,000 to help with the costs related to establishing a new career. Go to www.studentloan.org for an application and more details. Iowa Student Loan can be contacted by phone at 1-800/243-7552, ext. 7656 or 515/273-7656 or email to mbrown@studentloan.org.

TITLE I PARENTAL INVOLVEMENT

Section 1118, of the *No Child Left Behind Act of 2001* requires each district and school with a Title I program to have a parent involvement policy that is jointly developed, agreed upon, and distributed to parents of participating children. This policy must be on file in the district, but need not be approved by the school board. The parent involvement policy must be reviewed annually and plans for its review must be included in the Comprehensive School Improvement Plan (CSIP), which is part of C-Plan. An annual Title I parent meeting must be held at a convenient time. A parent compact must be provided to every parent in a schoolwide program building and to Title I parents in targeted assistance program schools. The law does not require a parent signature; however, effort should be made to encourage parents to sign the compact. Although sample documents are included in the Guidance section of this document, schools are encouraged to create compacts that are useful to them and reflect the beliefs of the school and community.

For the 2014-2015 school year, local parent policies and compacts must be reviewed, updated and uploaded to the Title I application for review. The parent involvement policy must incorporate all required components, include parents in the review process, and be labeled "Reviewed and Updated for the 2014-2015 School Year." The parent involvement policy and parent-school compact is due no later than September 15. Final approval of the local Title I application is conditional upon the receipt of these documents.

Title I funds may be used for activities associated with Parent Involvement. LEAs receiving allocations of \$500,000 or more must reserve and spend 1 percent of the allocation for parent involvement activities, including family literacy and parenting skills. At least 95 percent of the 1 percent reservation must be allocated by formula to Title I funded schools. This reservation needs to be conducted separately from Title I building level allocations. If the district serves private school students, LEAs must correctly calculate and provide for equitable services for private school students regarding parental involvement requirements. The parent involvement requirement can be met either through independent parent involvement activities or in conjunction with the LEA's activities. If they are done independently, there must be an equitable distribution of funds for these activities. The LEA is required to document on the General Budget detail form expenditure totals to reflect the situation in their district. If applicable, the 1 percent reservation must be included in the general budget before approval will be given to the district application. To remain in full compliance, the required 1% set-aside for parent involvement must be spent during the current school year. **Note:** The district should have on file the background information for this budget detail expenditure, but is not be required to include this on the electronic application itself. For example:

Parental Involvement Reservation under Section 1118 of ESEA

In **participating** public school attendance areas:

No. of private school children from low-income families		Total no. of children from low-income families		Proportion of Reservation
_____	divided by	_____	=	_____
Proportion of Reservation		Reservation		for Equitable Services
_____	X	\$ _____	=	\$ _____

In general, parent involvement refers to strategies intended to increase the involvement and contributions, in both school-based and home-based settings, of parents that are designed to support classroom instruction and increase student achievement. Title I places considerable emphasis on parent involvement. Section 1118 of the Title I statute contains many provisions concerning an LEA's responsibilities for carrying out parent involvement activities. Research shows that parental involvement in the education of the child is a critical factor in improving academic achievement. If a child is to attain and maintain grade level proficiency and achieve high academic standards, parents must support their child's learning.

Parent involvement is more than just surveying parents or bringing them together for a meeting to listen—they also must be given opportunities for meaningful participation and active involvement. Parent involvement activities must be designed and implemented to meet the needs of the parents—not the needs of the LEA. Parents should receive training and materials to help them work with their child to improve academic achievement.

Examples of mechanisms that can encourage parental involvement include the following:

- Establishment of organized parent groups.
- Holding public meetings involving parents to review school performance and help develop school improvement plans.
- Using surveys to gauge parent satisfaction and support for the school.
- Implementing complaint procedures for parents.
- Coordinating with local social and health service providers to help meet family needs.
- Parent education classes (including GED, adult literacy, and ESL programs).

IowaParents.org, a joint effort between the School Administrators of Iowa (SAI), the Iowa Department of Education (DE), and Area Education Agency 267 (AEA 267), provides Iowa Statewide Parent Information Resource Center (Iowa PIRC) to promote student success. This web site (<http://www.iowaparents.org>) is designed to provide information and support to a wide-range of parents and educators throughout Iowa.

Local education agencies may find guidance on meeting the parent involvement requirements under Title I Part A on the DE web site at <http://educateiowa.gov>.

WAIVERS, TITLE I, PART A

The Iowa Department of Education has received permission from the US Department of Education to grant waivers to Iowa's local school districts. Local school districts may now apply for the waivers directly from the Iowa Department of Education. Information regarding the LEA waiver application process is available on the Iowa Department of Education website (www.iowa.gov/educate) under Title I, Part A. Sample letters for each waiver request are provided there.

LEAs interested in applying for any waiver should "personalize" the waiver letter and submit on district letterhead. Forward the waiver application letter to ruth.jones@iowa.gov or the address on the letter by November 16, 2013.

WEB SITE REFERENCES FOR TITLE I RELATED TOPICS

CSIP web-based application

<https://portal.ed.iowa.gov>

Designing Schoolwide Programs

www2.ed.gov/policy/elsec/guid/designingswpguid.doc

Homeless Education under the McKinney-Vento Homeless Assistance Act

<http://www2.ed.gov/programs/homeless/guidance.pdf>

Identifying Eligible Title I Schools and Attendance Areas

www2.ed.gov/programs/titleiparta/wdag.doc

Indirect Cost Rates

<https://www.educateiowa.gov/documents/indirect-cost-rates/2014/04/2014-2015-indirect-cost-rates>

LEA and School Improvement

www2.ed.gov/policy/elsec/guid/schoolimprovementguid.doc

Low-income schools Directory (Teacher loan cancellation)

<https://www.tcli.ed.gov/CBSWebApp/tcli>

NCLB Policy Guidance

www2.ed.gov/policy/elsec/leg/esea02/index.html

Para educators/Paraprofessionals

educateiowa.gov/index.php?option=com_content&task=view&id=773&Itemid=1297

Parental Involvement: Title I

www2.ed.gov/programs/titleiparta/parentinvguid.doc

Private School Toolkit

www2.ed.gov/programs/titleiparta/ps/titleitoolkit.pdf

Public School Choice

www2.ed.gov/programs/choice/index.html

School Profiles

<http://www.iowaschoolprofiles.com>

Serving Preschool Children Under Title I, Non-Regulatory Guidance

www2.ed.gov/policy/elsec/guid/preschoolguidance2012.pdf

Supplemental Educational Service Guidance

<http://www2.ed.gov/nclb/choice/help/ses/index.html>

Supplemental Education Service Providers

<https://www.educateiowa.gov/documents/pk-12/2013/04/implementing-federal-ses-requirements>

Teacher Shortage Areas

<https://www.educateiowa.gov/teacher-shortage-areas>

Title I Application

<https://portal.ed.iowa.gov>

Title I Information

<https://www.educateiowa.gov/pk-12/title-programs/title-i/title-i-part>

Title I Legislation

www2.ed.gov/programs/titleiparta/legislation.html

Title I Paraprofessional Guidance

www2.ed.gov/policy/elsec/guid/paraguidance.doc

Title I Part A Non-Regulatory Fiscal Guidance

www2.ed.gov/programs/titleiparta/fiscalguid.doc

Title I Program Evaluation

<https://www.educateiowa.gov/pk-12/title-programs/title-i/title-i-part>

Title I Services to Private School Children

www2.ed.gov/programs/titleiparta/psguidance.doc

United States Department of Education

www.ed.gov