

Procedures for Reallocation of Title I, Part A, Funds

In accordance with Section 1126(c) of the *No Child Left Behind Act of 2001* (NCLB), the Virginia Department of Education (VDOE) shall reallocate excess Title I funds to school divisions in the state that demonstrate need for additional funds in accordance with criteria established by the state educational agency (SEA). The VDOE shall establish procedures for reallocation. These procedures include determining: 1) areas of eligibility; 2) areas of eligibility with the greatest need; and 3) time frames for reallocation.

1. Identification of Excess Funds

Excess Title I funds are identified as Title I funds from a school division that:

- A. has not participated in the Title I school division program;
- B. has had its allocation reduced because it failed to meet the maintenance of effort requirements;
- C. has carryover funds that exceed the 15 percent limitation;
- D. has had funds recovered by the SEA after determining that a school division has failed to spend Title I funds in accordance with applicable law; or
- E. has excess funds for other reasons.

2. Reallocation Based on Need

The SEA may reallocate excess Title I funds to school divisions with the greatest need (Sections 1124, 1124A, 1125, and 1125A of NCLB).

3. Determination of Eligibility

School divisions eligible for reallocation shall submit an amended application that demonstrates the school division:

- A. meets general eligibility requirements to receive Title I funds;
- B. has not received a waiver within the past three years from the VDOE to carry over more than the allowable 15 percent limitation;
- C. has not exceeded the 15 percent limitation to carry over funds in the year requesting reallocated Title I funds; and
- D. has less than the maximum allowed carryover funds from the previous year.

4. Determination of Greatest Need

Upon identification of the local educational agencies (LEAs) eligible to receive reallocation, the SEA shall determine the LEAs having the greatest need. An analysis of the following indicators will determine the divisions in greatest need:

- A. free and reduced price lunch program eligibility percentage;
- B. divisionwide per pupil expenditure; and

- C. free and reduced price lunch program eligibility percentage and per pupil expenditure composite ranking.

Divisions with free and reduced lunch eligibility percentages equal to or greater than the statewide free and reduced lunch eligibility percentage average will be identified as eligible. The divisionwide per pupil expenditure will be combined with the free and reduced lunch eligibility percentage to produce a composite ranking. Divisions will be served in rank order based on the division's composite ranking.

Indicators/Justification

- A. Free and Reduced Price Lunch Program Eligibility Percentage

Divisions eligible for reallocation are selected annually based on free and reduced lunch eligibility percentages. Divisions are eligible for reallocation if the free and reduced lunch eligibility percentage is equal to or greater than the current year's free and reduced lunch statewide eligibility percentage. The free and reduced price lunch program eligibility percentage is used as a criterion to ensure reallocated funds are targeted to divisions serving significant numbers of students identified as economically disadvantaged.

- B. Divisionwide Per Pupil Expenditure (PPE)

A divisionwide per pupil expenditure is the minimum amount of funds available for expenditure per pupil. A division's PPE is determined by dividing the division's Title I allocation by the number students identified as disadvantaged. The divisionwide PPE is used as a criterion due to its wide variability across divisions and from year to year.

- C. Free and Reduced Price Lunch Eligibility Percentage and PPE Composite Ranking

All divisions are assigned a numerical score based on their: 1) per pupil expenditure, and 2) free and reduced price lunch eligibility percentage. A composite score of these criteria is used to rank order serving priority of those divisions eligible to receive reallocation. A composite score based on these two data is used to ensure divisions with the most need are served first.

5. Reallocation Procedure

Divisions are assigned a numerical rank and point value based on their per pupil expenditure and free and reduced lunch eligibility percentage. Each assigned rank represents a point value ranging from one to the total number of divisions receiving Title I funds that meet all reallocation eligibility criteria.

Per pupil expenditure rankings are assigned in ascending order and free and reduced price lunch eligibility percentages in descending order. These criteria are weighted equally. The composite score is the sum of the division's rank for free and reduced price lunch eligibility percentage and its PPE rank (see Appendix A).

6. Establishment of Time Frames

The SEA must reallocate funds on a timely basis, and funds should be made available to eligible LEAs (in greatest need) within the allowable obligation period in which the funds were appropriated. The following guidelines apply:

- A. On July 15¹, the SEA shall notify all LEAs to expend or encumber:
 - 1) a minimum of 85 percent of their previous fiscal year's allocation, and/or
 - 2) the entire amount of carry over equal to or less than 15 percent of its allocation two years prior to the current fiscal year.
- B. By October 15, the SEA shall notify each LEA determined to have excess funds and the estimated amount subject to reallocation.
- C. By November 15, the LEA will submit to the SEA documentation, approved by the division superintendent, demonstrating that any excess funds (subject to reallocation) have been encumbered for later expenditure and/or will be relinquished.
- D. By December 15, the SEA will determine the eligible LEAs in greatest need of funds and notify the LEAs.
- E. By January 31, the LEAs will submit an amended application² prior to reallocation of funds.
- F. By February 28, the SEA will post reallocated funds available for expenditure to OMEGA.

A standard timeline for reallocation of funds allows the SEA to maintain current timelines for interim and final obligation and expenditure reports, and other variables that influence fiscal management of funds.

¹ School divisions may submit reimbursements on a rolling basis; however, the VDOE pays reimbursements on the 16th and last day of each month. Therefore, LEAs must submit all requests prior to the 9th and 22nd of each month to receive payment. A July 15th timeline allows the possible submission of four reimbursement requests prior to the September 30th obligation period.

² Once a school division's amended application is approved, the LEA is eligible to receive reallocated funds.