

**Virginia Department of Education
Office of Program Administration and Accountability
Reallocation Procedures for Title VI, Part B, Subpart 2
Rural and Low-income Schools Program Funds**

To minimize the occurrence of unliquidated Title VI, Part B, Subpart 2, Rural and Low-income Schools (RLIS) Program funds due to school divisions failing to expend and/or request reimbursement for the full amount of funds that they are awarded, school divisions will be required to encumber 85 percent of each award year's RLIS allocation by September 30 of the following year (within 15 months). School divisions will be permitted to carry over up to 15 percent of their RLIS allocation for any fiscal year.

The Virginia Department of Education (Department) will reallocate RLIS funds that have not been expended within the allotted 15 month period of each program year to other eligible school divisions according to the procedures below. These procedures will be implemented beginning with the 2016-2017 RLIS award.

Identification of Excess Funds

Excess RLIS funds are identified as RLIS funds from a school division that:

- A. although eligible, has not participated in the RLIS program;
- B. has carryover funds that exceed the 15 percent limitation; or
- C. has excess funds for other reasons.

Identification of Divisions Eligible to Receive Reallocated Funds

The Department will reallocate excess RLIS funds to school divisions with the greatest need as determined by the division poverty percentage and the divisionwide per pupil expenditure (PPE). To be eligible to receive reallocated RLIS funds, a school division must meet the following criteria:

- A. meets general eligibility requirements to receive RLIS funds;
- B. has a divisionwide poverty percentage equal to or greater than the statewide poverty percentage average;
- C. has not exceeded the 15 percent limitation to carry over funds in the current year; and
- D. has not exceeded the maximum allowed carryover funds from the previous year.

Reallocation Procedure

Upon identification of the divisions eligible to receive reallocated RLIS funds, the Department will determine the divisions having the greatest need. The division poverty percentage and the divisionwide per pupil PPE will be used to produce a composite ranking. Each division will be assigned a composite point value rank ranging from one to the total number of divisions eligible to receive reallocated RLIS funds. PPE rankings will be assigned in ascending order and poverty percentages will be assigned in descending order. These criteria will be weighted equally. The composite score will be the sum of the division's rank for poverty eligibility percentage and its PPE rank. Divisions will receive reallocated funds in rank order based on the division's composite ranking. Depending on the availability of funds, the

Department may distribute reallocated funds to fewer divisions than are eligible. For example, if only a minimal amount of funding is available for reallocation, the Department may determine that it will provide all available funding to the division with the greatest need.

Reallocation Timeline

Funds will be reallocated in a timely manner, and will be made available to divisions within the allowable obligation period in which the funds were appropriated. The following guidelines will apply:

- A. By July 15, the Department will notify divisions to expend or encumber a minimum of 85 percent of their previous fiscal year's allocation no later than September 30, and that they may only carry over an amount equal to or less than 15 percent of their allocation.
- B. By October 30, the Department will notify each division that may, according to the spenddown progress reports available in the Online Management of Education Grant Awards (OMEGA) system, have excess funds, and the estimated amount that may be subject to reallocation.
- C. By November 30, each division notified that RLIS funds may be subject to reallocation will submit to the Department documentation, approved by the division superintendent, demonstrating that 85 percent or greater of the previous year's funds were encumbered within the 15 month time period, or that the unencumbered amount in excess of the 15 percent allowable carryover will be relinquished.
- D. By December 15, the Department will determine the divisions eligible to receive reallocated funds, and will notify the divisions of the availability of funds.
- E. By January 31, each division receiving reallocated funds will submit an amended application prior to reallocation of funds.
- F. By February 28, the Department will post reallocated funds available for expenditure to the OMEGA system.