

Transferability Provisions ***No Child Left Behind (NCLB) Act of 2001***

LEA Use of Transferability

The *No Child Left Behind Act of 2001* (NCLB) contains provisions that allow school divisions to transfer funds between qualifying federal programs. Administrative Superintendent's Memorandum Number 20, dated April 18, 2003, <http://www.doe.virginia.gov/VDOE/suptsmemos/2003/adm020.html> provides transferability provisions under No Child Left Behind. These provisions provide that local school divisions may:

- transfer up to 50 percent of the funds from a qualifying federal program to another federal program that is eligible to receive transferred funds.
- may only transfer up to 30 percent of the funds in an eligible program if the school division is identified for improvement.

The transferability provision is intended to provide a school division with flexibility to target and transfer funds to the areas it deems as needing the greatest assistance. After funds have been transferred to another program, the transferred funds become subject to the laws and regulations of the receiving program.

The programs from which funds may be transferred are:

- Title II, Part A; Improving Teacher Quality;
- Title II, Part D; Subpart 1; Enhancing Education Through Technology;
- Title IV, Part A; Safe and Drug-Free Schools and Communities; and
- Title V, Part A; Innovative Programs. (As a result of the approved action taken in the appropriation bill for Federal Year (FY) 2008, Title V, Part A, Innovative Programs was not funded; therefore, no longer available for transferability.)

The programs to which funds may be transferred are:

- Title I, Part A; Improving Basic LEA Programs;
- Title II, Part A; Improving Teacher Quality;
- Title II, Part D, Subpart 1; Enhancing Education Through Technology;
- Title IV, Part A; Safe and Drug-Free Schools and Communities;
- Title V, Part A; Innovative Programs. (As a result of the approved action taken in the appropriation bill for Federal Year (FY) 2008, Title V, Part A, Innovative Programs was not funded; therefore, no longer available for transferability.)

Although transferred funds may be received by Title I, Part A, funds cannot be transferred from Title I, Part A.

Local Process for Transferring Funds

- In accordance with Section 6123(d)(2)(A-C) of the *No Child Left Behind Act of 2001*, each school division desiring to transfer funds must submit a “LEA Funds Transfer Form” (NCLB-1) to the Department of Education no less than thirty days prior to the date that the transfer is needed. The transfer must be made within the same federal award year.
- Applicable sections of “Schedule A” of the form must be completed and signed by the school division director of the program transferring funds and by the school division director of the program receiving funds.
- If funds are being transferred from more than one program, a separate “Schedule A” must be completed for each transfer.
- Approval for transfer of funds by the division superintendent or his/her authorized designee is required.

State Process for Approval of Transferability

- The “LEA Funds Transfer Form” and applicable sections of “Section A” are forwarded to the Department of Education to the attention of the education specialist for the program from which the funds will be transferred.
- Once the “LEA Funds Transfer Form” is received at the Department, it is reviewed and approved by program and finance specialists.
- Separate project codes have been established for each transfer *from* or transfer *to* combination on the form “Project Code Combinations for Implementing Transferability Provision of NCLB.” These codes are used by the Department to identify these payments on the Locality Ledger report and semimonthly EDI deposit notices.
- Transfers are processed by the Department of Education within thirty days of receipt of the request.