



Funding Flexibilities Available under the Elementary and Secondary Education Act (ESEA) – One Page Overview

The Elementary and Secondary Education Act (ESEA) was created by federal lawmakers in an attempt to reduce poverty and educational inequities. Each Title was created to promote educational equity and address opportunity gaps in different ways. Title V of ESEA provides Local Educational Agencies (LEAs) some flexibility for their ESEA formula grants (Titles I-A; II-A; III-A; and IV-A) to ensure students' greatest needs are met. The flexibilities are known as **Transferability** and **Alternative Fund Use Authority (AFUA)**. This document provides basic information on both options.

Note: Currently, most LEAs do not take advantage of these flexibilities because of the flexibility provided within each Title. However, given the funding cliff that many LEAs are facing with the expiration of the Federal stimulus funds, DPI believes that sharing this information may help LEAs address or reduce funding shortfalls.

Transferability

This flexibility is available to any LEA receiving Titles II-A or Title IV-A funding. An LEA may transfer all or a portion of the Title II-A or Title-IV A funds it receives to other programs such as Title I-A, C, and/or D; Title II-A; Title III-A; Title IV-A; and/or Title V to better address local needs. When an LEA transfers funds, those funds become funds of the program to which they are transferred and are subject to all of the rules and requirements of the program. For example, if an LEA transfers Title II-A funds into Title I-A, then all the requirements (equitable participation, supplement non supplant, carryover, etc.) for Title I-A apply.

View DPI's webpage: <https://dpi.wi.gov/esea/transferability>, for more details on which funds are eligible for transfer, how to use and maintain transferred funds, and detailed description of the transfer process. This document [Transfer Process in WISEgrants](#) (Google Doc) provides step-by-step instructions for completing a transfer in WISEgrants.

Things to consider before transferring funding:

- Will the transfer improve educational equity for the students with the greatest needs?
- How will this transfer impact the LEA Plan or school improvement plans?
- Are the costs that the LEA would pay for with the transferred funds allowable under the source grant (Title II-A or Title IV-A)?
- Has the transfer been discussed with the business manager and, if appropriate, the district administrator?

- What will the impact be on the private schools participating in ESEA services? The LEA must consult with private schools about the impact of the transfer **before** transferring funds.

Rural Education Achievement Program's Alternative Fund Use Authority (REAP AFUA) Flexibility

REAP AFUA is designed to give small, rural LEAs greater latitude to spend their Federal funds in ways that best address an LEA's particular needs.

An LEA eligible for the Rural Education Achievement Program (REAP) - Small, Rural School Achievement (SRSA) program authorized under Title V of ESEA and administered by USDE has the Alternative Fund Use Authority (AFUA) to spend selected ESEA funds on activities authorized under several additional ESEA programs.

Section 5211(c) of ESSA permits an eligible LEA to use all or a part of its formula Title II, Part A and Title IV, Part A funds to carry out activities authorized under one or more of the five programs listed in section 5211(a):

- Title I, Part A (Improving Basic Programs Operated by LEAs);
- Title II, Part A (Supporting Effective Instruction);
- Title III (Language Instruction for English Learners and Immigrant Students);
- Title IV, Part A (Student Support and Academic Enrichment); and
- Title IV, Part B (21st Century Community Learning Centers).

LEAs are strongly encouraged to consider how funds used under AFUA can support implementation and strengthening of their local education plans. Under AFUA, an eligible LEA *does not* have to receive funds under a particular program (e.g., Title III) in order to spend its Title II-A or IV-A funds on an allowable local activity under that program. For example, an LEA exercising AFUA that does not receive funds under Part A of Title I may nonetheless use its formula Title II-A or IV-A funds for Title I, Part A activities.

Things to consider before exercising REAP AFUA:

- Titles II-A and Title IV-A already allow for a large variety of activities. What are the needs outside of the scope of Titles II and IV?
- Will AFUA improve educational equity for the students with the greatest needs?
- What does your data say, which students need additional support?
- What are the needs of private schools? Will exercising AFUA for the private school share positively impact private schools participating in ESEA services?