

6. Title I Budget and Application

Overview

School districts are eligible to receive Title I-A funding based on poverty levels as determined by federal census data. In order to access those funds, the Program Plan and Title I-A budget found in the ESEA Consolidated Application must be submitted by the school district and approved by DPI.

- Title I allocation estimates to Wisconsin school districts are initially posted in late spring on the ESEA No Child Left Behind website at: <http://dpi.wi.gov/esea/application.html>. Districts will need to enter those estimates into their electronic budget for preliminary planning. (Note: These estimates are subject to change and may require budget adjustments.)
- Final allocations are usually posted in June.
- The Title I budget and program plan is initially submitted as part of the district's ESEA Consolidated Application. The ESEA Consolidated Application cannot be submitted until DPI posts the final allocations in the electronic budget.
- ESEA Consolidated Applications for the upcoming fiscal year (July 1—June 30) must be submitted by June 30.
- Final carryover is automatically posted by the DPI in the ESEA Consolidated Application in late fall and may require a budget revision to either allocate additional funds or balance a negative budget.
- Final claims for the previous year should be submitted as soon as possible after the close of the fiscal year (June 30), but no later than September 30.
- Training is available through DPI sponsored WisLine Web presentations (Technical Assistance): <http://dpi.wi.gov/esea/application.html>.

Completing the Title I Budget in the ESEA Consolidated Application

The electronic budget for Title I is part of the ESEA Consolidated Application found at: https://www2.dpi.state.wi.us/esea/dpi_login/dpi_login.asp. The following information is intended to be a brief overview of the Title I budget. Detailed explanations for each budget area are found on the HELP screens located on each page of the electronic application.

Administration and Administrative Costs

Administrative costs include all expenses related to the supervision and coordination of the Title I program, including preparation of the budget. Duties are usually tied to an individual or a CESA agency, and cover such items as salaries and fringes, travel, equipment, and supplies needed to carry out administration of the program. Insurance and judgments by definition also fall under administration. See the chart that follows for examples of typical budget items in the areas of Purchased Services, Non-Capital Objects, and Capital Objects.

Total administrative personnel and other administrative costs must not exceed 10 percent of the current allocation. This includes equitable administration of Title I services for eligible private schools as provided by the school district. Allowable administration expenses are listed as options in the ESEA Consolidated Application. For more information on the Wisconsin Uniform Financial Accounting Requirements (WUFAR) see <http://dpi.wi.gov/sfs/wufar.html>

Reservations

Set-Asides

ESEA under No Child Left Behind Act of 2001 requires some schools and/or districts to set aside a portion of their Title I-A funds as follows:

- professional development activities to ensure that teachers who are not highly qualified become highly qualified by the end of the 2005-06 school year (5% of district funds)
- addressing the professional development needs of instructional staff in a school identified for improvement (SIFI) or district identified for improvement (DIFI) (10% of SIFI and DIFI funds)
- public school choice/transfer transportation and supplemental educational services for students enrolled in schools identified for improvement (an amount equal to 20% of Title I-A allocation from either the district's Title I-A or other local sources)

Reservations

Districts may reserve funds that are necessary for district-level activities prior to allocating them to eligible schools. These areas include:

- administrative costs are automatically brought forward from the 'Administration' screen on the budget
- professional development
- parent involvement (School districts with \$500,000 or more must reserve at school districts 1 percent for parent involvement with 95 percent of those reserved funds allocated to individual schools)
- services to eligible children who do not attend Title I schools (e.g., homeless children, migrant children, children in local institutions for neglected and delinquent)
- other district-wide activities, such as, but not limited, to preschool, summer school, Even Start Family Literacy and school improvement activities
- equitable services to private school students

Targeting Data and Eligibility

Enrollment Data

When entering district data for public and private school students:

- include only 5-17 year-olds in all public and private schools taken **on the same date** (typically January) *
- use the same method of determining number of low-income students for all public schools (e.g., W2, Free/Reduced School Lunch, Medicaid, Census, Composite)
- use a process to identify low-income private school students that is as similar as possible to that used for public schools. *

* **Note:** Even if the district provides services to preschool children, only 5-17 year olds are eligible to be counted for enrollment purposes.

Eligibility

Schools are generally eligible for Title I funding if the percent of low-income children is at or exceeds the district or grade span poverty level. Information entered in on the Targeting Data screen is used to determine percent low income.

- In the electronic ESEA Consolidated Application, schools are automatically rank ordered according to poverty level with highest poverty schools listed first.

- In general, the district must distribute funds according to the rank order based on the percent poverty in each building. Buildings with higher percentages of poverty must have equal or higher per pupil allocations to those with lower percentages of poverty.
- Schools that are at or above the district poverty average are eligible. In addition, schools with 35 percent poverty are automatically Title I eligible, and may or may not be served based on the district needs assessment and available funds.
- Schools with 75 percent poverty or greater must be served.
- In districts with one school per grade span or in districts with less than 1000 students enrolled, all schools are Title I eligible and may or may not be served based on the district needs assessment and available funds.

Personnel

Title I funds may be used for salaries and fringe benefits for teachers, instructional assistants, translators, homeless liaisons, parent involvement coordinators and other appropriate Title I positions. All Title I instructional personnel are subject to meeting the requirements of being highly qualified.

Note: Allowable personnel expenditures differ in Schoolwide and Targeted Assistance programs. Supplement not supplant, and comparability provisions, however, apply in both types of programs. See the chapters in this guidance related to “Schoolwide Programs,” “Targeted Assistance Programs,” and “Comparability” for more information on the appropriate uses of Title I funds to fund personnel.

Allowable Expenditures: Purchased Services, Non-Capital Expenses and Capital Expenses

- The table describes some of the most common Title I expenditures. Each budgeted area allows for ‘other’ expenditures which must be briefly described in the electronic budget. Use of such funds is subject to DPI approval. Note: Administration costs must be budgeted in the administration area and are subject to the 10 percent cap.

Note: General Wisconsin Uniform Financial Accounting Requirements (WUFAR) object codes and function codes have been identified for each area. These are subject to change based on the district’s budget procedures.

(* Explanation must be provided.)

Purchased Services (Object Code: 300s)	Instruction Function Codes: 110 000s	<ul style="list-style-type: none"> • CESA contracted services (*) • Employee travel between sites • Other contracted services (*) • Printing/copy services • Translation services
	Other Support Function Codes: 200 000s, except for administration	<ul style="list-style-type: none"> • CESA contracted services (*) • DIFI required professional development • SIFI transportation • Communication • Membership fees • Other contracted services (*) • Parent involvement • Printing/copy services • Professional development • Translation services

Non-Capital Objects (Object Code: 400s)	Instruction Function Codes: 110 000s	<ul style="list-style-type: none"> • Equipment (Non-capital) • Instructional materials and supplies • Instructional media (library books, audio/visual, newspapers/magazines) • Instructional software
	Other Support Function Codes: 200 000s, except for administration	<ul style="list-style-type: none"> • DIFI required professional development • SIFI transportation • Equipment (non-capital) • Parent involvement supplies • Professional development supplies • Software
Capital Objects (Object Code: 500s)	Instruction Function Code: 110 000s	<ul style="list-style-type: none"> • Computers • Equipment
	Other Support Function Codes: 200 000s, except for administration.	<ul style="list-style-type: none"> • Computers • Equipment • Neutral site rental/school districts

Budget Revisions

Budget revisions may be necessary when:

- actual carryover entered by DPI in late fall results in a change, including a negative balance or additional unbudgeted funds
- there are changes in the use of funds (e.g., salaries and/or fringe increase due to contract settlement)
- actual expenditures for required set-asides are less than the required 20 percent

Note: Up to 10 percent over expenditure per line item does not require a budget revision.

To revise the approved budget, a rationale for changes must be submitted to the Title I consultant. The Title I budget and Program Plan may be unlocked by contacting the assigned DPI Title I consultant found at: <http://dpi.wi.gov/esea/pdf/contacts.pdf>. The budget revisions and rationale will be reviewed and must be approved by the DPI Title I consultant before claims can be reimbursed.

When the budget is revised, it could result in also needing to change the Program Plan so that it is fully aligned with the budget. Per Pupil amounts on the Eligibility screen may also need to be changed. There must be a similar balance available on both the budget summary and the eligibility screen. The difference may be no more than \$1000 or .5 percent, whichever is less. These are two ways to show how the same funds are being utilized.

The Budget Summary is set up to track budget revisions made throughout the year. While there are no limits to the number of revisions that are allowed, the Budget Summary will only show the originally approved budget and the most recent revision.

Approval of budget revisions is electronic. In order to see the approval status, refer to the electronic application home page or contact the assigned Title I consultant.

It is important that local program and financial staff work together when submitting budget and program plan revisions to ensure program and fiscal compliance.

Filing Claims

For reporting grant expenditures, use form PI-1086 found at:

<http://www.dpi.wi.gov/sms/pi-1086.html>. This claim is a summary report. Detailed evidence to support claims such as purchase orders, invoices and payroll data must be maintained by the district for a period of five years plus the current year.

- When submitting claims, it is important that the object codes and the function codes are accurate.
 - Object codes are: salaries (100s); fringes (200s); purchased services (300s); non-capital objects (400s); capital objects (500s); insurance and judgments (700s)
 - Function codes are: instruction (110 000s); other support (200 000s); administration (223 900 and 230 000 to 252 000s); insurance and judgments (270 000); indirect costs (480 000)
 - Teaching assistants who primarily work in the classroom should be included in the instruction component of the budget (function code: 110 000).
 - Additional information about WUFAR codes can be found at: <http://dpi.wi.gov/sfs/wufar.html>
- DPI recommends that claims are filed on a monthly or quarterly basis. Final claims for the previous year should be submitted as soon as possible after the close of the fiscal year (June 30) and must be submitted no later than September 30.

Carryover

No more than 15 percent of the funds allocated to a district for any fiscal year may be carried over into the next fiscal year. Funds in excess of 15 percent must be encumbered and expended by September 30.

- After all final claims have been submitted, final carryovers will be posted in the Title I Budget of the ESEA Consolidated Application. It may be necessary for the school district to submit a budget revision to either allocate additional funds or reduce a negative budget.
- A waiver may be granted to exceed the 15 percent carryover no more than once every three years, if DPI determines that the request of a district is reasonable and necessary or supplemental appropriations become available.
- The 15 percent carryover requirement shall apply only to any districts that receive at school districts \$50,000 in a fiscal year. District receiving less than \$50,000 per year are excluded from this provision.
- Funds that are in excess of 15 percent carryover are retained by the state and placed in a fund for reallocation.

Maintenance of Effort

Maintenance of Effort (MOE) is calculated by the Department of Public Instruction using the school district's annual financial report which is completed each fall. If a district fails to meet MOE requirements, it will be notified by DPI.

- The combined fiscal effort per student or the total expenditure of the school district must be at 90 percent of the preceding fiscal year.
- If the school district fails to maintain fiscal effort, the Department of Public Instruction will reduce the amount of the allocation of Title I funds in any fiscal year in the exact proportion by which a district fails to meet the 90 percent requirement. For example, if a district fails to meet the 90 percent by 5 percent the state will reduce funds by 5 percent in the year following that determination.

Additional Examples

1. The previous year's cost per pupil was \$5,000 and in order to maintain fiscal effort for the current year the cost per pupil would have to be a minimum of \$4,500.
2. The previous year's total expenditures were \$5,000,000 and in order to maintain fiscal effort for the current year the total budget would have to be a minimum of \$4,500,000.

For additional information, see <http://dpi.wi.gov/esea/moe.html>.

Comparability

Comparability is a process that assesses whether Title I schools receive a fair share of state and local resources. Congress included this provision in the ESEA legislation to ensure that Title I schools are not discriminated against in the distribution of state and local resources when federal funds become available. This action reinforced the fact that Title I funds come to a district to supplement what is already being provided in the district with state and local funds.

Section 1120 A of ESEA addresses the comparability requirements to be met by state agencies and districts. A district may receive Title I funds only if it uses state and local resources to provide services to Title I schools that are essentially comparable "or the same as" when taken as a whole, to the services that are provided to the non-Title I schools. Areas that are reviewed in this process include the district's comparability written policy, staff-pupil ratios, distribution of local funds for curriculum resources and materials, and instructional staff salary schedules.

Comparability requirements do not apply to districts that only have one building for each grade span. Technical assistance is available from the department in this area.

Supplement not Supplant

The "supplement not supplant" requirement ensures that children participating in Title I programs receive their fair share of services from state and local funds. federal funds must therefore add to, and not replace, programs and services that would be provided by the district in the absence of Title I. In essence, Title I funds are specifically earmarked to provide supplementary programs and services.

"Supplement not supplant" differs in targeted assistance programs and schoolwide programs in the following ways:

- Targeted Assistance Program: Title I funds may not be used to provide services that a district would otherwise provide to Title I students with state or local funds.

Examples of "Supplement not Supplant" situations in a targeted assistance school:

- Title I teachers work within the regular classroom using the "in-class" model with small groups of eligible Title I children in a variety of ways. Other non-eligible Title I students may also join those groups on an incidental, but not on a planned, regular basis, if similar content areas are being reinforced. In these situations the regular classroom teacher will also be present in the classroom working with the other children. If, on the other hand, Title I funds are being used to reduce class sizes by hiring grade level instructors to serve all children, thus assigning a Title I teacher with full responsibility for the regular classroom instruction given, it would entail supplanting.
- Title I funds may not be used to hire a reading/language arts teacher for an entire class consisting of both Title I eligible and non-Title I eligible students, or for Title I eligible students in a particular subject area, thus essentially becoming the regular classroom teacher for that class or that subject area.

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For further clarification of approved targeted assistance models that demonstrate supplement not supplant, see the section entitled “Targeted Assistance Programs” in this guidance.

- Schoolwide Program: Title I funds and other federal education program funds included in the Schoolwide program can be used only to supplement the total amount of funds that would otherwise be available for the school. The supplement not supplant requirement is therefore reviewed from a fiscal versus a programmatic perspective. It doesn’t matter which dollar-federal, state, or local-pays for which service in a schoolwide program as long as the overall level of services is proportionately higher than it would be without the federal Title I money.

Supplanting is presumed to have occurred if any of the three situations below is characteristic of a state or local district’s utilization of federal funds:

1. Federal funds were used to provide services that the SEA or local school district was required to make available under other federal, state, or local laws.
2. Services are being provided with federal funds that the SEA or local school district provided with non-federal funds in the prior year.
3. The SEA or local school district used Title I, Part A Basic Grants or Title I, Part C Migrant Education funds to provide services for participating children that the SEA or LEA provides with non-federal funds for nonparticipating children.

Resources

Refer to the section entitled “Schoolwide Programs” in this guidance for additional information on acceptable use of Title I funds that ensure compliance in the supplement not supplant area in schoolwide programs

Also see 10-13-04 USDE Title I Program Office webcast—”Key Title I Fiscal Issues: Supplement, Not Supplant” at <http://www.ed.gov/admins/schooldistrictd/account/fiscal/part5.doc>.

For further information see federal guidance: <http://www.ed.gov/policy/elsec/guid/designingswpguid.doc>

<http://www.ed.gov/programs/titleiparta/fiscalguid.doc>

Transferability and Flexibility

Funds from other Titles may be used for Title I purposes by “transferring” them into Title I; however, Title I funds may **not** be transferred out of Title I.

- Any funds transferred into Title I are subject to all rules and regulations governing Title I funds. This includes allowable use of funds, equitable participation of eligible students and parents from private schools, mandatory set-asides and reservations, etc.
- The school district transferring funds into Title I must ensure that the requirements of the original Title are met with the remaining funds.
- The school district transferring funds into Title I must maintain its own records to document the use of transferred funds.

- Examples: A school district wishes to transfer funds into Title I to help pay for Title I personnel.
 - If Title II-A or Title V-A funds are used for this purpose, it is not necessary to transfer the funds because they are already allowable expenses under those Titles.
 - If the school district wishes to use Title IV funds for Title I personnel, the money must be transferred since that is not an allowable use of funds under Title IV.
- Transferred funds are **claimed** in their originating Title claims.
- DPI bulletin: http://dpi.wi.gov/esea/pdf/bul_0213.pdf
- Federal Guidance: <http://www.ed.gov/programs/transferability/legislation.html>

Indirect Cost

- Indirect costs are administrative costs not readily identified with the activities funded by Title I, but are incurred for the joint benefit of those activities, and other activities and programs, of the school district. These costs are included in the allowable 10 percent for administration.
- There are two different types of indirect cost rates, restricted and non-restricted. Restricted costs apply to all programs with “supplement not supplant” language, and exclude operation and maintenance of plant as indirect costs. Examples of allowable indirect costs include: accounting, auditing, payroll, personnel, budgeting, and purchasing. Each of these could also be identified as a direct cost, but cannot be both direct and indirect.
- The indirect cost rate must be approved annually by DPI and included in the Title I budget. Typically, restricted indirect cost rates approved by DPI range from one to five percent. These costs must not supplant school district responsibilities.
- Additional information on indirect costs can be found at <http://dpi.wi.gov/sfs/indirect.html>