

Richard Woods, Georgia's School Superintendent
"Educating Georgia's Future"

Transferability

Under the ESEA, SEAs and LEAs may transfer funds they receive by formula under certain programs to other programs to better address State and local needs. The ESSA amended the transferability authority by changing the programs from and to which an SEA or LEA may transfer funds and removing limits on the amount of funds that may be transferred. This guidance addresses those changes.

What is transferability?

Transferability is a flexibility authority that permits State educational agencies (SEAs) and local educational agencies (LEAs) to transfer a portion of the funding they receive by formula under certain Federal programs to their allocations under other programs so they can address more effectively their unique needs.

[\(GUIDANCE ON THE TRANSFERABILITY AUTHORITY June 8, 2004\)](#)

Why is transferability important?

Transferability provides SEAs and LEAs with unprecedented flexibility in targeting Federal resources to meet the needs of all children. It can be a powerful tool in assisting States and districts in pursuing their own strategies for raising student achievement. It facilitates the development and implementation of integrated approaches for addressing local educational needs and priorities.

[\(GUIDANCE ON THE TRANSFERABILITY AUTHORITY June 8, 2004\)](#)

Programs from Which an LEA May Transfer Funds

- Title II, Part A – Supporting effective instruction state grants
- Title IV, Part A – Student support and academic enrichment grants (ESEA section 5103(b)(2).) An LEA may not transfer funds it receives under any other ESEA program.
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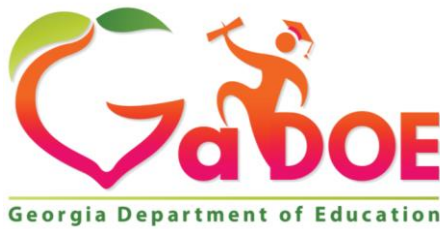
[\(NON-REGULATORY GUIDANCE: FISCAL CHANGES AND EQUITABLE SERVICES REQUIREMENTS UNDER THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 \(ESEA\), AS AMENDED BY THE EVERY STUDENT SUCCEEDS ACT \(ESSA\) November 21, 2016\)](#)

Programs to Which an LEA May Transfer Funds

- Title I, Part A – Improving basic programs operated by LEAs
- Title I, Part C – Education of migratory children
- Title I, Part D – Prevention and intervention programs for children and youth who are neglected, delinquent, or at-risk
- Title II, Part A – Supporting effective instruction state grants
- Title III, Part A – State grants for English language acquisition and language enhancement
- Title IV, Part A – Student support and academic enrichment grants
- Title V, Part B – Rural education

(ESEA section 5103(b))

[\(NON-REGULATORY GUIDANCE: FISCAL CHANGES AND EQUITABLE SERVICES REQUIREMENTS UNDER THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 \(ESEA\), AS AMENDED BY THE EVERY STUDENT SUCCEEDS ACT \(ESSA\) November 21, 2016\)](#)



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Is there a limit on the amount of funds an LEA may transfer under IIA and IVA?

No. An LEA may transfer all or a portion of funds it receives under IIA and IVA.

[\(NON-REGULATORY GUIDANCE: FISCAL CHANGES AND EQUITABLE SERVICES REQUIREMENTS UNDER THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 \(ESEA\), AS AMENDED BY THE EVERY STUDENT SUCCEEDS ACT \(ESSA\) November 21, 2016\)](#)

What are the responsibilities of an SEA or LEA for the provision of equitable services to private school children and teachers with respect to funds being transferred?

Excluding Title I, Part D and Title V, Part B, each program covered by the transferability authority is subject to the equitable services requirements under Title I or VIII, which may not be waived. (ESEA section 8401(c)(5).) Before an SEA or LEA may transfer funds from a program subject to equitable services requirements, it must engage in timely and meaningful consultation with appropriate private school officials. (ESEA section 5103(e)(2).) With respect to the transferred funds, the SEA or LEA must provide private school students and teachers equitable services under the program(s) to which, and from which, the funds are transferred, based on the total amount of funds available to each program after the transfer.

[\(NON-REGULATORY GUIDANCE: FISCAL CHANGES AND EQUITABLE SERVICES REQUIREMENTS UNDER THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 \(ESEA\), AS AMENDED BY THE EVERY STUDENT SUCCEEDS ACT \(ESSA\) November 21, 2016\)](#)

May an SEA or LEA transfer only those funds that are to be used for equitable services to private school students or teachers?

No. An SEA or LEA may not transfer funds to a particular program solely to provide equitable services for private school students or teachers. Rather, an SEA or LEA, after consulting with appropriate private school officials, must provide equitable services to private school students and teachers based on the rules of each program and the total amount of funds available to each program after a transfer. (See ESEA section 5103(e).)

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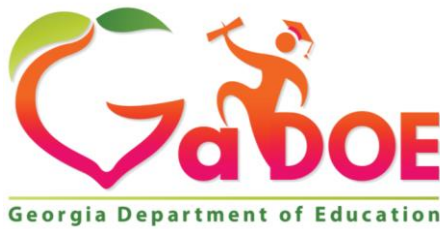
Regarding transferability of funds: Can LEAs calculate the nonpublic share first in Titles II or IV and then do transfers out of those programs into each other or into Title I? In other words, can LEAs leave just the nonpublic share in its original program while transferring out all other LEA funds?

LEAs must calculate equitable service shares based on the total amount of funds available under a program after a transfer. Just as an LEA may not transfer funds to a particular program solely to provide equitable services, it may not retain funds solely for this purpose. Section 5103(e)(1) of the ESEA, as amended by ESSA, is clear that funds transferred under this section are subject to each of the rules and requirements applicable to the funds under the provision to which the transferred funds are transferred. Thus, if an LEA chooses to transfer 100% of its Title IV, Part A funds to Title I, it may not provide equitable services under Title IV, Part A. Please keep in mind that an LEA must consult with private school officials prior to any transfer; however, the final decision about whether to transfer funds remains with the LEA.

[\(NON-REGULATORY GUIDANCE: FISCAL CHANGES AND EQUITABLE SERVICES REQUIREMENTS UNDER THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965 \(ESEA\), AS AMENDED BY THE EVERY STUDENT SUCCEEDS ACT \(ESSA\) November 21, 2016\)](#)

May an LEA transfer Title IV, Part A funds into Title III to get the LEA above the \$10,000 minimum grant required for Title III?

In response to your question, as Title III, Part A funding is based on an LEA's number of English Learners (ELs), a local educational agency (LEA) may not transfer funds from other programs into Title III, Part A with the purpose



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of meeting the \$10,000 threshold. However, an LEA that would not otherwise qualify for a subgrant under section 3114(b) of the ESEA because it does not qualify for an award of at least \$10,000 may submit a joint application with one or more other LEAs in order to qualify. More information on the consortium requirements for Title III can be found in A-15 of the September 2016 English Learner guidance (available here: <https://www2.ed.gov/policy/elsec/leg/essa/essatitleiiienglishlearners92016.pdf> and pasted below).

[\(QUESTIONS AND ANSWERS FROM THE TITLE IV, PART A STATE COORDINATORS' MEETING on January 9-10, 2018\)](#)

Guidelines on Transferability of Funds from the Overarching Federal Programs Handbook

- An LEA does not have to apply for transferability authority; it already has that authority (ESSA Sec. 5103(b)).
- The funds transferred into *other eligible ESSA programs* are subject to all rules and regulations of the *other eligible ESSA programs*.
- Equitable services requirements are not waived, and timely and meaningful consultation must occur prior to transferring funds from one program into another program.
- LEAs should think about how the transfer of funds will impact any of their required set-asides.
- The assigned GaDOE specialist who works with the LEA must be notified in writing (email) regarding the LEA's intent to transfer eligible funds to or from *other eligible ESSA programs* 30 days in advance of submitting the budget for approval. This is for notification NOT approval.
- The LEA must notify in writing (email) GaDOE's Grants Accounting Department regarding the LEA's intent to transfer funds to or from *other eligible ESSA programs* prior to the transfer. This is for notification NOT approval. Send the notification 30 days in advance to Regina Hailey (rhailey@doe.k12.ga.us) and Della Kilpatrick (dkilpatr@doe.k12.ga.us). For documentation purposes, LEAs must also attach the email to the current year consolidated application attachment tab.
- Since the transferred amount is not brought into the Grants Accounting Online Report System (GAORS), the amount transferred to another program will have to be drawn down from the originating program. LEAs must draw down funds from the originating program first.
- The LEA will track the drawdowns at the local level.
- In the budget, include all funds except those to be transferred.
- When transferring:
 - From Program to Program (*other eligible ESSA program*). Repeat for each eligible ESSA program to which the LEA is transferring funds
 - Function 5000, Object 930, Amount

References-

[QUESTIONS AND ANSWERS FROM THE TITLE IV, PART A STATE COORDINATORS' MEETING on January 9-10, 2018](#)

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["Every Student Succeeds Act" January 6, 2015](#)

[GUIDANCE ON THE TRANSFERABILITY AUTHORITY June 8, 2004](#)