# Procedures for Reallocation of Title I, Part A, Funds

In accordance with Section 1126(c) of the Elementary and Secondary Education Act of 1965 (ESEA), as amended, the Virginia Department of Education (Department) shall reallocate excess Title I funds to school divisions in the state that demonstrate need for additional funds in accordance with criteria established by the state educational agency (SEA). To meet this requirement, the Department has established the procedures described below.

## Identification of Excess Funds

Excess Title I funds are identified as Title I funds from a school division that:

1. has not participated in the Title I school division program;
2. has had its allocation reduced because it failed to meet the maintenance of effort requirements;
3. has carryover funds that exceed the 15 percent limitation;
4. has had funds recovered by the SEA after determining that a school division has failed to spend Title I funds in accordance with applicable law; or
5. has excess funds for other reasons.

## Reallocation Based on Need

Section 1126(c) of the ESEA requires SEAs to develop procedures for the reallocation of Title I, Part A, funds. Funds must be reallocated to school divisions with the greatest need.

## Determination of Eligibility and Greatest Need

To be eligible to receive reallocated funds, a school division must meet the following criteria:

1. meet general eligibility requirements to receive Title I funds;
2. has not received a waiver within the past three years from the Department to carry over more than the allowable 15 percent limitation;
3. has not exceeded the 15 percent limitation to carry over funds in the year requesting reallocated Title I funds; and
4. has less than the maximum allowed carryover funds from the previous year.

Upon identification of the divisions eligible to receive reallocated funds, the SEA shall determine the divisions having the greatest need. An analysis of the following indicators will determine the divisions in greatest need:

1. the division’s poverty percentage;
2. the division wide per pupil expenditure (PPE); and
3. poverty percentage and PPE composite ranking.

Divisions with poverty percentages equal to or greater than the statewide poverty percentage average will be identified as eligible. The division wide PPE will be combined with the poverty percentage to produce a composite ranking.

## Reallocation Procedure

Divisions are assigned a numerical rank and point value based on their PPE and poverty percentage. Each assigned rank represents a point value ranging from one to the total number of divisions receiving Title I funds that meet all reallocation eligibility criteria.

The PPE rankings are assigned in ascending order and poverty percentages in descending order. These criteria are weighted equally. The composite score is the sum of the division’s rank for poverty percentage and its PPE rank. Divisions will be served in rank order based on the division’s composite ranking.

## Establishment of Timeline

The SEA must reallocate funds on a timely basis, and funds should be made available to eligible divisions (in greatest need) within the allowable obligation period in which the funds were appropriated. The following guidelines apply:

1. By July 15, the SEA shall notify all 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.
2. By October 30, the SEA shall notify each division determined to have excess funds and the estimated amount subject to reallocation.
3. By November 30, the division will submit to the SEA documentation, approved by the division superintendent, demonstrating that any excess funds (subject to reallocation) have been encumbered for later expenditure and/or will be relinquished.
4. By December 15, the SEA will determine the eligible divisions in greatest need of funds and notify the divisions.
5. By January 31, the divisions will submit an amended application prior to reallocation of funds.
6. By February 28, the SEA will post reallocated funds available for expenditure to the Online Management of Education Grant Awards (OMEGA) system.

A standard timeline for reallocation of funds allows the SEA to maintain current timelines for interim and final obligation and expenditure reports, and other variables that influence fiscal management of funds. The Department may modify the reallocation timelines or procedures, as needed, to provide additional funding to divisions demonstrating the greatest need for such funds.