



The Federal Funding Cliff



Idaho State Department of Education

DEBBIE CRITCHFIELD, SUPERINTENDENT OF PUBLIC INSTRUCTION

How Do We Weather The Storm?



We analyze, forecast, and budget appropriately





Federal Funds Are Ending: Closeout Timing of Pandemic- Related Funds



Closeout Periods



2 CFR 200.344

- Subrecipients must prepare closeout reports and final accounting **within 90 days after period.**



Federal Funds Ending



ARP IDEA PART B - Obligation 9/30/2023

LEA Closeout/final draw GRA downs 12/15/2023

CRRSA ESSER II- Obligation 9/30/2023

LEA Closeout/final draw GRA downs 12/15/2023

SLFRF Instruction Staff Add'l Comp: 7/1/2022-06/30/2023

LEA Closeout/final draw GRA downs 6/30/2023

ARP ESSER III- Obligation 9/30/2024

LEA Closeout/final draw GRA downs 12/15/2024

ARP HCY Homeless II: Obligation 09/30/2024

LEA Closeout/final draw GRA downs 12/15/2024



Carry Over Limitations



- Title I-A Not more than 15%
- Title II-A Not more than 25%
- Title IV-A Not more than 25%



All other funding sources – Check with your grant coordinators to see if you need to provide explanation, or request in advance.



Realigning Budgets Once Pandemic Funding Ends



The Funding Cliff Is Here...



Would you rather step off the cliff when you can't see the bottom? Or with a clear view of where you will land?



Other Insights to remember:

- Who's retiring?
- Who might be moving to another department?
- What do the enrollment estimates look like?
- What is the economic outlook for our state?
- What are JFAC and other legislative committees projecting?
- Are there any grant funding carryover limitations? (hint-they vary by funding stream)
- What did my budget look like prior to the pandemic?



Lay Out the Facts



All hands in – Finance and Program Staff

Problem
Analysis
Solution





Why In-Depth Analysis is Necessary

– Enrollment and Low-Income Data Insights and more



Your Enrollment and Low-Income



The last 3 years, funding allocations for federal grants were based off of low-income and enrollment numbers from 2019-2020 school year.

Why? Because there was a National School Lunch Waiver that meant we didn't have an accurate means of capturing data for low-income data. We held LEA Round Table Discussions to explore using Direct Certification or other low-income measurements, but the old (FY2019-2020) free & reduced lunch data still proved most beneficial.

Low-Income Thresholds & Calculations



What does this all mean?

- The SDE will receive a snapshot in time in March 2023 from the Child Nutrition Dept. which we will apply to our *federally mandated allocation calculations* for your various grants.
- We will also be able to revert to using the current year's fall 2022 enrollment data!



Programs that use Economically Disadvantaged Data Collection as part of their allocation calculations



- **Title I-A Improving Basic Programs** is a federal program that helps students who are most at risk meet state academic standards and be proficient on state assessments.
- **Title II-A Supporting Effective Instruction** is a federal program to increase student achievement and improves teacher quality and effectiveness.
- **IDEA Part B** are federal grants designed to support LEAs pay excess costs of providing special education and related services to children with disabilities including that children with disabilities have access to a free appropriate public education (FAPE).

Effects of Updated Data

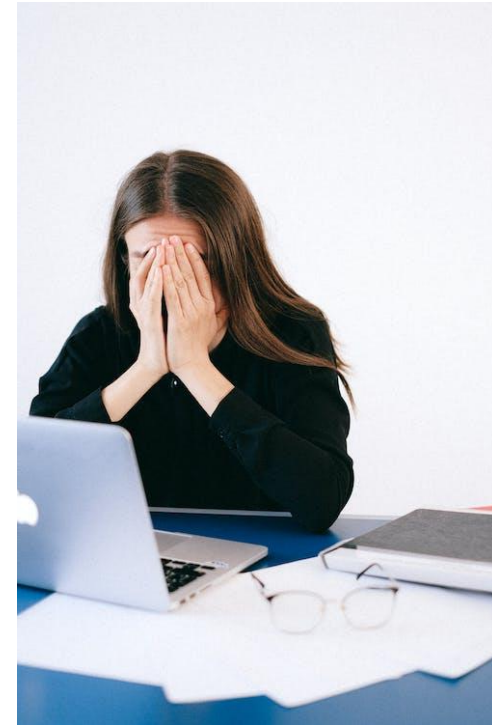


There will be winners and some losers...

Some LEAs have had major increases to enrollment that will contribute to higher allocations.



Other LEAs who may have benefited from the use of older enrollment numbers and low-income rates, may see their funding go down when we update to current data.



Low-Income Calculation Impact



According to the Every Student Succeeds Act (ESSA), local educational agencies (LEAs) shall allocate Title I, Part A funds to eligible school attendance areas or eligible schools on the basis of the total number of students from low-income families (ESSA sections 1113[a][1] and [c][1]).

At least 35% of the students or the LEA income equivalent must be identified as low-income to be eligible for Title 1 school funding.

Census poverty estimates



- The ESEA requires that an LEA's eligibility and allocations under each Title I formula and its allocations for Title II be determined, in part, based on Census LEA poverty estimates.
- To derive a special (charter's) LEA's Census poverty estimate, an SEA needs *alternative poverty data* that are available for the special (charter)LEA for which Census data are not available. *Idaho uses Child Nutrition Free & Reduced Lunch data (which is also used for determining the LEA home district).*
- *For any LEA that does not participate in the CNP, low-income eligibility forms must be completed.*

Rank and Serve & the Grandfather Clause



Grandfather Clause:

- For one additional year only, section 1113(b)(1)(C) of the ESEA authorizes an LEA to allocate Title I funds to a school that is no longer eligible but was eligible and served in the preceding year.
- This provision applies to a newly ineligible school and not to an eligible school that has fallen in the poverty ranking compared to the previous year's ranking and does not receive a Title I allocation from its LEA because the LEA allocates its Title I funds to other eligible schools with higher poverty percentages.



Time for In-Depth Analysis



- What did my numbers look like in 2019-2020 for enrollment/low-income?
- What is my fall 2022 enrollment (SPED)? Title and other federal programming-what is my March 2023 count?
- What is my current district-level low-income rate?
- What are my building low-income rates? Are they below 35% or the LEA average?
- Have I already used the grandfather clause?



Best Practice for Analysis & Future Forecasts



- Calculate and recalculate!
- Run multiple funding scenarios.

Questions to ask:

- Will I have any carry-over?
- Can I blend and/or braid funds?
- What do my current staffing levels look like?
- What might my staffing needs look like next fall?

	Oktober	November	Dezember	Januar	Februar	März	April
	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
	3.025,22 €	7.525,22 €	3.025,22 €	7.525,22 €	3.025,22 €	7.525,22 €	3.025,22 €
	-3.025,22 €	-7.525,22 €	-3.025,22 €	-7.525,22 €	-3.025,22 €	-7.525,22 €	-3.025,22 €
	4.578,25 €	-2.946,97 €	-5.972,18 €	-13.497,40 €			

The Federal Funding Cliff is Coming

– Be Prepared



While our level of supplemental federal dollars may be expiring soon, we can strategize for the change in meaningful and intentional ways.

As we budget for the future without these federal funds, we can:

- Refer to prior pandemic budgets and funding models
- Analyze our current enrollment and low-income rates for impact
- Pay attention to legislative changes and possible funding implications
- Insightfully convey the changing fiscal landscape to Superintendents, and School Boards
- Support each other, and share ideas as a Community of Practice

