

# Leveraging Federal Funds: Braiding Funds

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Federal Education Group, PLLC

[www.fededgroup.com](http://www.fededgroup.com)

# Introduction

Federal Education Group, PLLC (FEG) is a law and consulting firm co-founded by Melissa Junge and Sheara Krvaric.

FEG helps states, school districts, and other educational organizations understand federal law so they can use federal money to achieve their goals while maintaining compliance.

FEG's practice areas include all major federal K-12 education programs, including ESEA, IDEA, and Perkins, as well as federal grant management requirements, such as the Uniform Grant Guidance.

Before FEG, Melissa and Sheara served as in-house counsel for an SEA and were in private practice at an education law firm.

# Key Points

- The COVID-19 pandemic, and the years that have followed, created new, and exacerbated existing, challenges.
- In some cases, districts used ESSER funds to implement initiatives to address these challenges and would like to sustain them. ED grants can play a role in that.
- In other cases, districts are starting new initiatives. ED grants can also play a role in that.

# Key Points

- ED grants can be spent on many more activities, in many more settings, than is often appreciated.
- ED grants can also be coordinated to support more comprehensive, coherent services.
- But the complex, technical rules that govern ED grants can be hard to manage, which incentivizes narrow spending.

## Key Points (cont.)

- Confusion over federal rules also influences how state and local funds are spent on services delivered to students.

*For example, many LEAs use different interventions for students with and without disabilities even when they have similar needs. This is often based on a misperception about IDEA rather than a pedagogical decision about how best to meet student needs.*

# Key Points

- **Using ED funds to sustain and/or start initiatives requires leadership involvement and decisions, including:**
  - Balancing a wide range of perspectives across district offices and schools.
  - Evaluating tradeoffs about existing staff and services if moving funds from existing activities is required.
  - Setting organizational risk tolerance for new spending that has not yet passed audit scrutiny.

# Considerations for this Presentation

- There are many rules and requirements that apply to ED grants that are not addressed in this presentation.
- Whether any particular cost can be charged to any particular program depends on the facts and circumstances.
- The fact that a cost is listed in this presentation does not mean it is allowable in all circumstances. Similarly, the fact that a cost is not listed in this presentation does not mean it is unallowable.

# Topics

- Overview of how ED programs work.
- Understanding the potential to braid funds for coordinated initiatives.
- Brief introduction to Title I, Part A, Title II, Part A and IDEA, Part B spending options.
  - Today's presentation focuses on these programs because they are ED's biggest programs in terms of funding and they tend to be the ones spent most narrowly.
  - Other programs can also support improvement efforts like Section 1003 (federal "School Improvement" funds), Title IV, Part A, 21<sup>st</sup> Century Community Learning Centers, and Carl D. Perkins.



# Overview of How ED Programs Work

# Sources of Federal Requirements

## Statutes/Laws (Congress)

- Program Statutes/Laws (ESSER, ESEA, IDEA, Perkins)
- General Education Provisions Act

## Regulations (ED/ OMB)

- Education Department General Administrative Regulations
- Program Regulations
- Uniform Grant Guidance

## Guidance (ED)

- Non-Regulatory Guidance
- Presentations, letters, fact sheets, press releases
- Emails/phone calls

# Program Laws

- Program laws establish requirements like:
  - How funds must be distributed (by formula, competition, etc.).
  - What entities are eligible to receive funds (LEAs, CBOs, etc.).
  - Participant eligibility.
  - Allowable uses of funds (sometimes this is an explicit list – like in Title II, Part A, sometimes it is not, like in Title I, Part A and IDEA, Part B).
  - Other compliance requirements (this can include conditions that apply as a result of receiving funds – like standards, assessment, and accountability requirements in Title I, evaluation requirements, and the like.)

# Other Federal Rules that Affect ED Grant Spending

- The **Uniform Grant Guidance (UGG)**, a set of regulations that cover:
  - Grants administration requirements (like financial management systems, internal control rules, procurement rules, inventory management, cash management, etc.),
  - Cost principles (like necessary and reasonable standard, prior approval rules for high-cost items, special rules for employee compensation, etc.), and
  - Audit standards.
- The **Education Department General Administrative Regulations (EDGAR)**, a collection of Education Department-specific regulations.
- The **General Education Provisions Act (GEPA)**, a law that applies to ED programs and includes:
  - The Tydings amendment (timing for how long most ED funds can be spent),
  - FERPA (privacy rules)
  - Federal wage rules for construction projects, and
  - State oversight and enforcement responsibilities.

# State Role in Major ED Programs

- All of the major K-12 ED programs are “state-administered programs” such as Title I, Part A, Title II, Part A, IDEA, Perkins, and ESSER.
- SEAs are responsible for LEA oversight in state-administered programs.

# Visualization of SEA Role In State Administered Programs

**SEA applies to ED**

**LEAs apply to SEA**

**LEAs responsible for carrying out program consistent with approved application, complying with program/fiscal/administrative requirements**

**SEA responsible for ensuring LEAs meet program requirements (via technical assistance, monitoring, audit oversight, enforcement)**

# Braiding Funds

# Braiding Funds to Coordinate Services

- Braiding is a concept that means using multiple funding sources to support an initiative.
  - Each funding source continues to be accounted for separately (i.e. not consolidated).
  - Each funding source continues to be spent only on permissible activities.
- For example, to support reading proficiency, an LEA could use a combination of IDEA, Part B and Title II, Part A funds for professional development on effective early literacy practices for struggling readers with and without disabilities.



# Tackling Misperceptions

- ED regulations authorize braiding so long as an LEA:
  - Follows federal spending rules, and
  - Tracks how federal funds are spent. ([34 CFR § 76.760](#))
- One of the biggest barriers to braiding is misunderstandings about what individual ED programs can pay for, which makes it difficult to see how they can be coordinated.
  - For example, it is a common misperception that IDEA, Part B cannot pay for a service for a student with a disability if a nondisabled student receives the same service through another funding source.
  - This is [not correct](#), but limits IDEA, Part B spending.

# Coordinated Planning to Support Braided Spending

- Rather than planning separate activities for each federal funding stream, start with:
  - Student/school needs, and
  - Determination of what federal funding source, along with state/local funding sources, can support those needs.
- Often, more than one funding source can support an initiative.
- Consider a four-step approach (next slides).

# Four Step Process: Step 1

- **After analyzing data and determining needs, define the strategy or activity the LEA wants to implement along with its scope.**

*For example, if an LEA is considering investing in new high-quality K-2 reading curricula:*

- *Would it be for all elementary schools or for a specific school with a specific need?*
- *Would it be a general curriculum for all students or an intervention program for struggling students?*

# Four Step Process: Step 2

- **Define the universe of specific costs the LEA needs to pay for to implement the strategy or activity.**

*For example, if an LEA implements a new K-2 reading curriculum for all elementary schools, it might pay for:*

- *Instructional materials*
- *Training school leaders, teachers, and educators the new curriculum*
- *Training general education teachers on adapting instruction for special education students*
- *Training special educators on the new curriculum*
- *Technology*
- *Hiring instructional coaches*

# Four Step Process: Step 3

- **Determine which ED grants can pay for which costs.**

*For example, to support the costs listed on the prior slide, the LEA might use:*

- *State/local funds to purchase the new curriculum,*
- *Title II to provide professional development to all teachers, and*
- *IDEA funds to provide specialized professional development to teachers who work with students with disabilities*

# Four Step Process: Step 4

- **Evaluate what activities ED grants are currently supporting and whether funding should be repurposed.**

*This could include factors such as:*

- *How long currently supported activities have been in place,*
- *Whether they have achieved intended goals,*
- *Whether they have been effective in improving student outcomes,*
- *Whether they align to current priorities, and other factors.*

# Linking Costs to Funding Sources

## Example: Addressing Chronic Absenteeism

ED Funding Source	Possible Uses of Funds
Title I, Part A	<ul style="list-style-type: none"> <li>• Counseling, school-based mental health programs, specialized instructional support services, mentoring services, and other strategies to improve students' skills outside the academic subject areas.</li> <li>• Implementation of a schoolwide tiered model to prevent and address behavior concerns.</li> <li>• Other academic and non-academic supports that can improve student engagement and connectedness, including teacher professional development and family engagement.</li> </ul>
Title II, Part A	<ul style="list-style-type: none"> <li>• Professional development activities that deliver in-service training for school personnel in techniques needed to help educators understand when and how to refer students affected by trauma or at risk of mental illness.</li> <li>• Forming partnerships between school-based mental health programs and public or private mental health organizations; and addressing issues related to school conditions for student learning, such as safety, peer interaction, drug and alcohol abuse, and chronic absenteeism.</li> <li>• Using data effectively (which could include how to use data to identify students at-risk of chronic absenteeism) and identifying early and appropriate interventions to help struggling students.</li> </ul>

# Linking Costs to Funding Sources

## Example: Addressing Chronic Absenteeism (cont.)

ED Funding Source	Possible Uses of Funds
Title IV, Part A	<ul style="list-style-type: none"> <li>• College and career-guidance and career awareness programs.</li> <li>• Programs that use music and art to support student success, engagement and problem solving.</li> <li>• Supporting the participation of low-income students in non-profit competitions related to STEM, and environmental education.</li> <li>• School-based mental health programs.</li> <li>• Programs that provide mentoring and school counseling to all students.</li> <li>• Programs that establish learning environments and enhance students' effective learning skills.</li> <li>• Bullying and harassment prevention.</li> </ul>
IDEA, Part B	<ul style="list-style-type: none"> <li>• School climate initiatives to address the needs of students with disabilities.</li> <li>• Warning systems and progress monitoring for students with disabilities.</li> <li>• Academic and behavioral supports for children not identified for special education but who need additional academic and behavioral support to succeed in a general education environment if done as part of the coordinated early intervening services (CEIS) set-aside.</li> </ul>



# Note

- The slides that follow provide:
  - A brief introduction to the Title I, Part A, Title II, Part A, and IDEA, Part B programs, and
  - Examples of potentially allowable but non-traditional spending options.
- Please note all examples assume:
  - A district has satisfied a program's supplement not supplant and other fiscal rules,
  - The costs charged are necessary, reasonable, and otherwise consistent with federal cost principles,
  - The costs are consistent with state policies on ED grant implementation.

# Title I, Part A

# Title I, Part A

- Title I provides supplemental funding to help LEAs and schools affected by poverty expand opportunities for educationally disadvantaged students.
- To help improve the academic achievement of educationally disadvantaged students, Title I can support:
  - A wide range of academic subjects as part of a well-rounded education (like reading, math, science, technology, art, music, languages, physical education, and more).
  - Nonacademic activities that contribute to academic achievement, which could include mentoring, behavioral supports, mental health and other student wellbeing and engagement supports.

# Title I, Part A (cont.)

- There are three ways Title I can pay for an initiative:
  - **At the district level.** While most Title I funds are spent at the school level, districts have the option to reserve some Title I funds for district-managed activities in all or a subset of their Title I schools.
  - **At the school level through a schoolwide program,** where any or all students in the school may participate.
  - **At the school level through a targeted assistance program,** where only identified students in the school may participate.

# Examples of Potentially Allowable but Non-Traditional Title I Activities

- Student counseling
- Student mentoring
- School based mental health programs
- Building non-academic skills needed for academic success
- History, civics and government, economics
- Engineering, computer science
- Science and geography
- Career and technical education
- Physical education
- Arts
- Music
- Foreign languages
- Advanced coursework

# Examples of Sustaining or Starting an Initiative with Title I Funds

- A district used ESSER funds to add school counselors in all of its schools. It cannot afford to retain the counselors with state and local funds, but it could use Title I funds to retain counselors in Title I schools.
- A district used ESSER funds to create outdoor learning spaces. The district could use Title I funds to offer outdoor science programs in those spaces for Title I schools.
- Teachers report that incoming kindergartners need extra support with fine motor and self regulation skills. The district could use Title I funds to hire occupational therapists to work with eligible Title I students.

# Title II, Part A

# Title II, Part A Overview

- Title II provides supplemental funding to help support effective instruction.
- Districts must prioritize funds for low-performing high-poverty schools.
  - Unlike Title I, districts do not have to earmark Title II funds for individual schools.
  - This means, for example, a district could use Title II funds for a whole district activity, as long as the district considers the needs of its low performing high-poverty schools when planning its activities.
- Stakeholder engagement required.



# Examples of Potentially Allowable but Non-Traditional Title II Activities

- Career advancement opportunities for current staff members, such as paraprofessionals, to gain the credentials to become classroom instructors.
- Financial support for recruitment programs within the community to improve hiring and retention of a diverse workforce.
- Teacher and school leader residency programs.
- Partnering with teacher preparation providers, including local community colleges, Institutions of Higher Education (IHEs), Minority Serving Institutions and alternative route providers, to build a pipeline of diverse candidates.

# Examples of Sustaining or Starting an Initiative with Title II Funds

- A district used ESSER funds to start a high-dosage tutoring program with contracted tutors which is too expensive to sustain. The district can use Title II funds for an induction program that allows teacher candidates to gain practical experience by tutoring students.
- A district's attendance rates continue to lag post-pandemic, particularly in secondary schools. The district can use Title II funds to train middle and high school teachers on building connections with their students.
- More general educators now have students with disabilities in their classrooms. The district can use Title II funds to train general educators on adapting instruction to meet the needs of those students.

# IDEA, Part B

# IDEA, Part B Overview

- IDEA, Part B is made up of two grant programs:
  - Section 611, which supports students with disabilities ages 3 to 21, and
  - Section 619, which supports students with disabilities ages 3 to 5.
- IDEA, Part B supports special education and related services.
  - Special education means adapting instruction to meet the unique needs of students with disabilities. *(This is often construed narrowly. LEAs may have more service options than realized.)*
  - Related services are transportation and other support services to help students with disabilities benefit from special education.

# Examples of Potentially Allowable but Non-Traditional IDEA Activities

- Professional development for general educators on meeting the needs of students with disabilities.
- Dual-certification programs that allow general educators to obtain special education certification.
- Implementing new learning environments supportive of all learners in an inclusive setting.
- Sharing part of the cost of a whole school improvement initiative to the extent consistent with federal cost principles.
- Merging special education data with other education data.
- Voluntary coordinated early intervening services (CEIS) for nondisabled students (up to 15%)

# Examples of Sustaining or Starting an Initiative with IDEA Funds

- A district used ESSER funds to build summer programs for students who need to accelerate their learning. The district plans to sustain these programs with state and local funds. It can use IDEA to integrate summer services for students with disabilities.
- Teachers report K-2 students are struggling to stay seated and focused during lessons. The district uses state and local funds for a self-regulation program that will be used for students with and without disabilities. The district can use a combination of Title II and IDEA funds to train all K-2 teachers on the program.

# Resources

- Coalition to Advance Student Success, with support from CCSSO/FEG: [How Traditional U.S. Department of Education Grants Can Help Sustain ESSER Activities](#) (with accompanying [video](#) and [slide deck](#))
- Accelerate/FEG: [Beyond Recovery: Funding High-Impact Tutoring for the Long Term](#)

# Disclaimer

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