

Transferability Guide for LEAs

A. Introduction to Transferability

1. Purpose

Transferability is an option under Section 5103 of the Elementary and Secondary Education Act (ESEA) that permits local educational agencies (LEAs) to transfer some or all of the funding they receive under certain ESEA programs to other ESEA programs. Once funds are transferred, they take on the identity of the title program into which they are transferred (the “transfer to” or “target” program), including statutory set-asides, and must be spent according to the rules applicable to that program. While there are no limits on the amount of funds an LEA may transfer, **an LEA may only transfer funds into programs for which it is already receiving an allocation.**

| LEAs May Transfer Funds From | LEAs May Transfer Funds To |
|--|---|
| <ul style="list-style-type: none">• Title II, Part A, Supporting Effective Instruction; and/or• Title IV, Part A, Student Support and Academic Enrichment | <ul style="list-style-type: none">• Title I, Part A, Improving Academic Achievement of Disadvantaged Students;• Title I, Part C, Migrant Education;• Title I, Part D, Neglected and Delinquent;• Title II, Part A, Supporting Effective Instruction;• Title III, Part A, English Language Acquisition;• Title IV, Part A, Student Support and Academic Enrichment; and/or• Title V, Part B; Rural Education |

2. Importance

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

B. Transferability Requirements

The LEA must meet the following requirements before the decision to transfer funds is made:

1. Review the LEA Needs Assessment

While the LEA has the authority to transfer funding, it does not mean it should. Decisions regarding the transfer of funding should be made in consultation with needs identified in the LEA needs

assessment. Alignment with the needs and goals outlined in the needs assessment is the best way to determine whether transferring funds is the correct course of action.

2. Consult with the Appropriate Stakeholders

All federal programs require meaningful consultation with stakeholders, which should include (but is not limited to), parents and other family members, community members, students (as appropriate), teachers, principals, other school leaders and specialized instructional support personnel, and Native American tribes or tribal organizations as applicable. For transfers involving Title IV, Part A funding, the LEA may consider including community-based organizations and local government representatives (law enforcement, juvenile court, child welfare agency).

3. Consult with Participating Private Schools

The equitable share provided to participating private schools is impacted when a district transfers funds. The district does not need prior approval from the private school to exercise the transferability authority, but before a district may transfer funding from one or both eligible ESEA programs, it must engage in timely and meaningful consultation with the appropriate nonpublic school official(s). Conduct this consultation at the beginning of the grant to minimize the impact of equitable share calculations throughout the grant period. The district might consider sharing its needs assessment during the consultation to justify any change to the ESEA programs the private school(s) will and will not be eligible for due to the transfer of funds.

Transfer Questions for Reflection

- a. Can we clearly articulate the connection between our LEA needs and the transfer of funds?
- b. Who is involved in the decision to transfer funds? Are they familiar with the LEA needs?
- c. How do we ensure that the participating private schools are consulted on the decision to transfer funds and what impact will this have on them?
- d. How will we evaluate the impact of transferring funds?

Recommendations

- a. **Know the requirements for each title program before transferring funds.** Each title program has a specific purpose and accompanying guidance. It is crucial that the LEA understands the purpose of the funding and its intended beneficiaries to ensure the transfer is an effective use of funding. Particular attention should be paid to the allowability, and supplement not supplant requirements for each program.
- b. **Implement an internal system for tracking the spending of transferred funds.** All funds are accounted for within the original grant award's budget, and LEAs must ensure that funds are spent in accordance with the program's requirements.
- c. **Notify USBE prior to transfer.** LEAs must notify the Utah State Board of Education (USBE) of their intention to transfer funding via Utah Grants Management System.