



Federal Programs and Oversight Updates

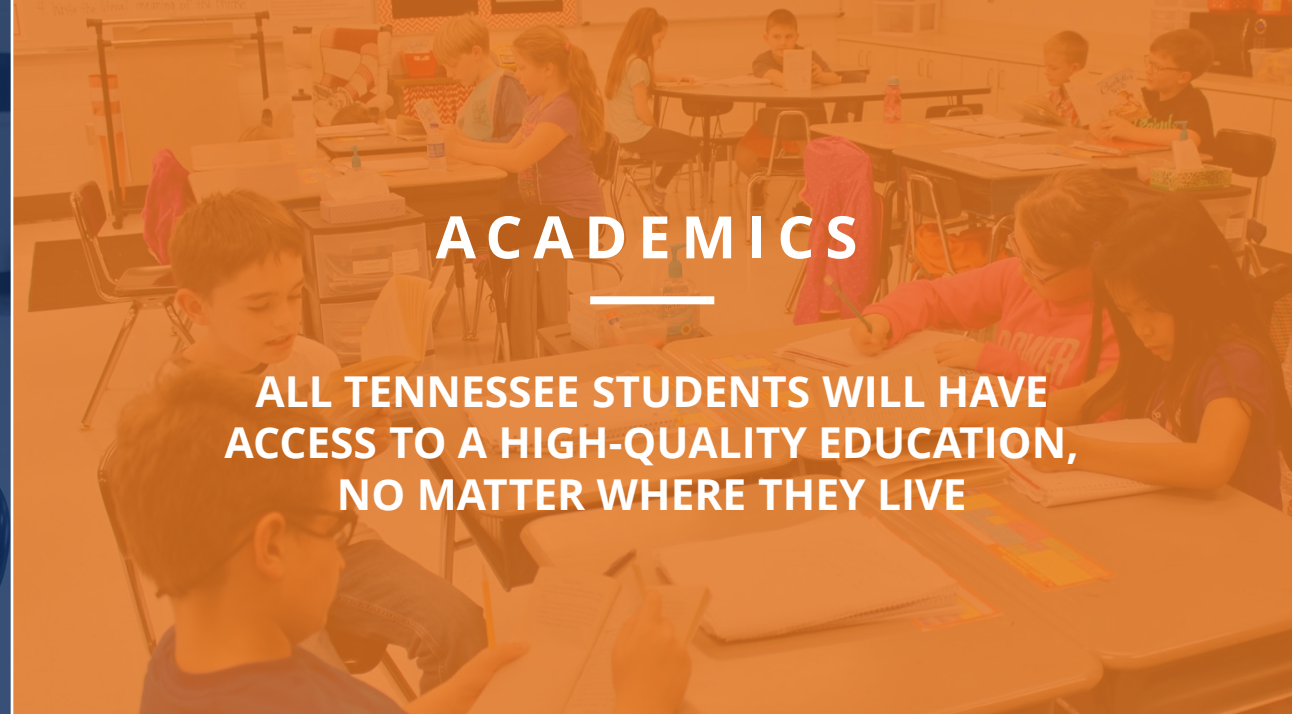
Debby A. Thompson | Assistant Commissioner
2024 Annual Fiscal Workshop





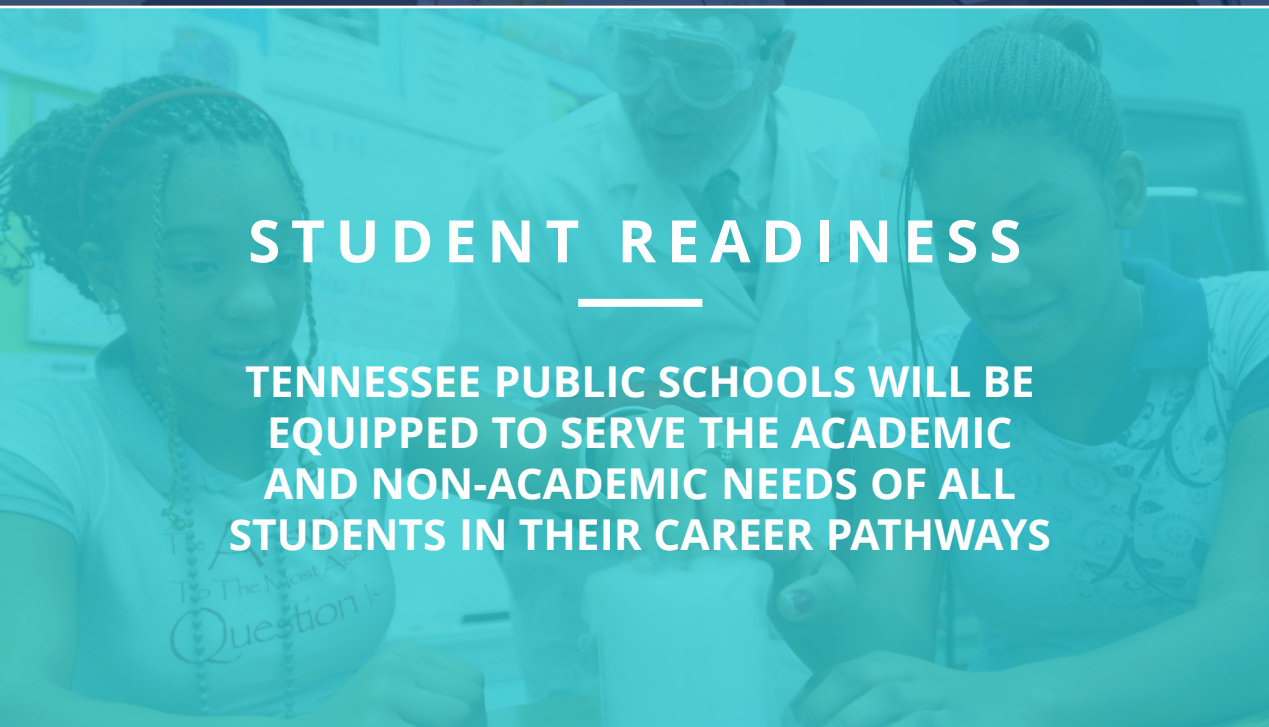
BEST FOR
ALL

We will set all students on a path to success.



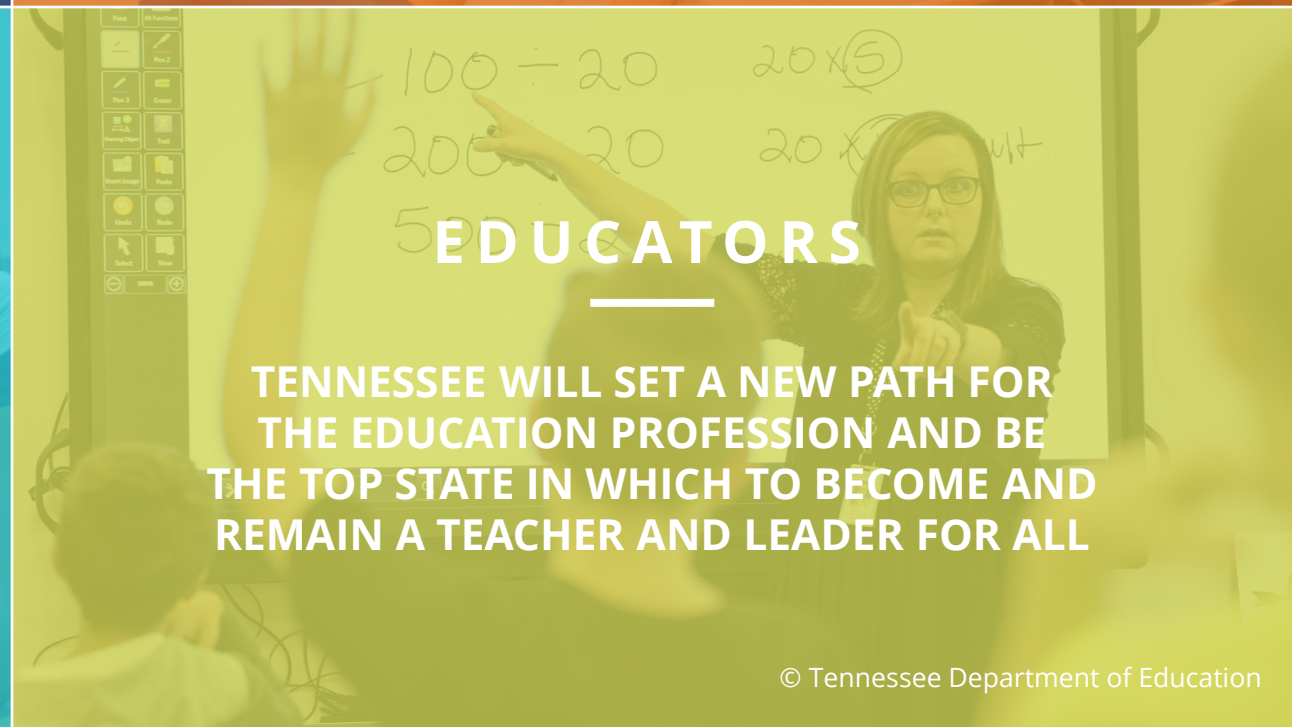
ACADEMICS

ALL TENNESSEE STUDENTS WILL HAVE ACCESS TO A HIGH-QUALITY EDUCATION, NO MATTER WHERE THEY LIVE



STUDENT READINESS

TENNESSEE PUBLIC SCHOOLS WILL BE EQUIPPED TO SERVE THE ACADEMIC AND NON-ACADEMIC NEEDS OF ALL STUDENTS IN THEIR CAREER PATHWAYS



EDUCATORS

TENNESSEE WILL SET A NEW PATH FOR THE EDUCATION PROFESSION AND BE THE TOP STATE IN WHICH TO BECOME AND REMAIN A TEACHER AND LEADER FOR ALL



Agenda

- Allocation Adjustment Implementation
- Acknowledgement of Allocation Adjustment
- ESSA Provisions
- ESSER Provisions
- Questions and Wrap-up



Allocations by Fiscal Year



Which State Fiscal Years (SFY)?

State Fiscal Years	Allocations Explanations
SFY23	SFY23 Final Carryover Allocations <ul style="list-style-type: none">• Calculating the correct allocations new methodology• LEAs saw an increase and decrease in the Carryover Line for the respective grants in the SFY24 CFA.• These adjustments are not part of the SFY24 allocation agreement with ED.
SFY24	SFY24 Final Original Allocations <ul style="list-style-type: none">• Calculation between the Preliminary Allocations-Final Allocation using the new methodology• 1st Year Allocation Adjustment as described in the following slides
SFY25	SFY25 Preliminary Allocations <ul style="list-style-type: none">• Calculation of the Preliminary Allocations• 2nd Year Allocation Adjustment as described in the following slides

Adjusted Allocation Reference Sheet



[LEA Name] Adjusted Allocations Reference Sheet

Overview

In consultation with the U.S. Department of Education (ED), the Tennessee Department of Education (department) revised procedures for calculating allocations. The department used the revised procedures to redetermine Title I, Part A; Title I, Part A—Neglected; Title II, Part A; Title IV, Part A allocations for State fiscal year (FY)18–FY22.

The recalculated figures were used for ESSER 1.0; ESSER 2.0; ESSER 3.0; IDEA, Part B; IDEA, Part B (611); IDEA, Part B, Preschool (619); ARP IDEA; and ARP Homeless 2.0 allocations based on corrected Title I, Part A allocations. The department provided the recalculations for ED's review and approval in early 2024. ED and the department agree that the revised allocations reflect reasonable recalculations for these grants.

Explanation of Calculations

1. **For FY18 through FY22:** Allocations were recalculated using the revised procedure. These calculations are based on LEA proportionate census poverty and Title I formula student counts and multiple levels of hold-harmless checks. Following revised procedure determined that some LEAs were overallocated and some were under-allocated. Since these fiscal years are closed, differences in allocation calculations cannot be resolved within each specific fiscal year. The difference in allocations for each LEA was totaled. Paths to resolution for each grant are as follows:

Grant	Resolution	Period of Resolution
Title I, Part A	Reallocation of funds is required.	7 Years (FY24-FY30)
Title I, Part A - Neglected	Reallocation of funds is required.	7 Years (FY24-FY30)
Title II, Part A	Under-allocated LEAs will be made whole. No penalty for overallocated LEAs.	2 Years (FY24-FY25)
Title IV, Part A	Reallocation of funds is required.	7 Years (FY24-FY30)

2. **For FY23** – LEAs received an updated “*Final Revised Allocation Calculation*” that differed from the Final Allocation Calculation that had been available to LEAs in ePlan. Since FY23 is closed, this calculation was resolved by updating the FY23 Outgoing Carryover amounts in the FY24 Incoming Carryover in the CFA. No additional adjustments occurred to FY23 allocations. If an LEA's FY23 Adjusted Outgoing Carryover was less than the amount of Outgoing Carryover reflected in the FY23 CFA, the amount was reduced in the FY24 Incoming Carryover allocation line. If an LEA's FY23 reimbursement request exceeds the new FY24 Incoming Carryover in the CFA, the difference will be applied to the FY24 Original Allocation Line.
 - a. **LEAs will see:** Changes to the Incoming Carryover allocation in the FY24 CFA reflecting the change from the previous allocation calculation to the actual allocation.

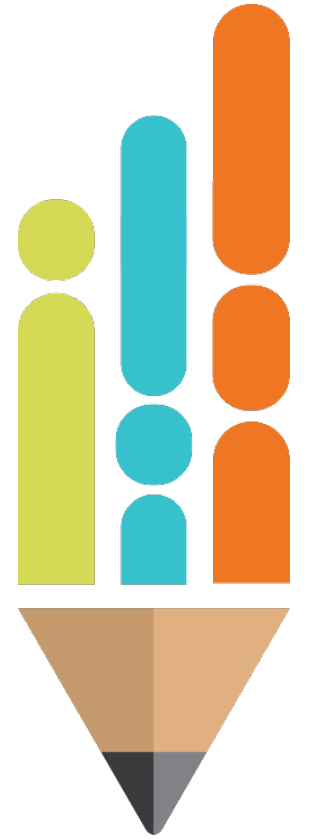
Division of Federal Programs and Oversight
Andrew Johnson Tower • 710 James Robertson Parkway • Nashville, TN 37243
tn.gov/education



Allocation Adjustment Implementation

Title I, Part A and Title I, Part A-Neglected

- *The* corrective action will cover seven years, with some districts seeing small decreases in allocations to account for historical overpayments and others experiencing small increases to account for historical underpayments.



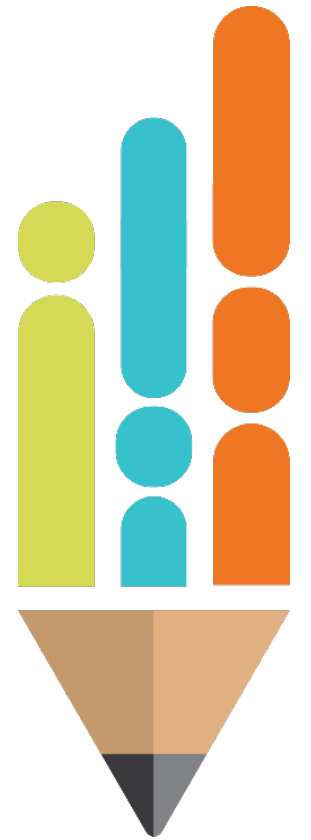
Title II, Part A

- TDOE will be repurposing state-level Title II, Part A funds to cover the offset, meaning districts will only experience increases as a result of the corrective action.



Title IV, Part A

- The corrective action will cover two years, with some districts seeing small decreases in allocations to account for historical overpayments and others districts experiencing small increases/remaining flat to account for historical underpayments/no change.
 - Title IV is a small grant relative to the other Titles.



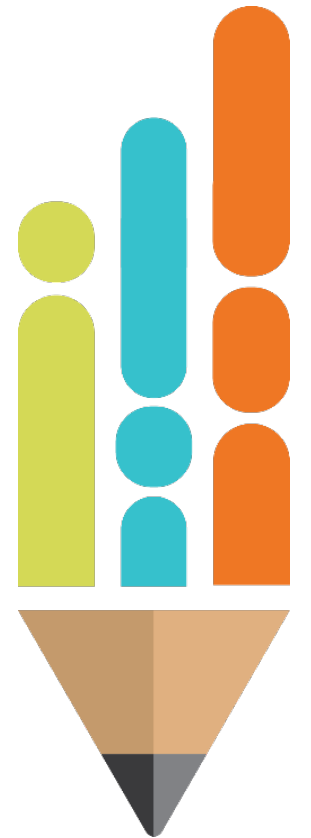
Relief Funds

ESSER 3.0

- TDOE will be repurposing state-level ESSER 3.0 funds to cover the offset, meaning districts will only experience increases as a result of the corrective action.

ARP Homeless Funds

- TDOE will be re-releasing flowthrough funds based on the responses in the Acknowledge of Allocation Adjustment form in ePlan.



Acknowledgment of Allocation Adjustment (Instruction Document)

Getting Started: Walkthrough of Acknowledgment of Allocation Adjustment

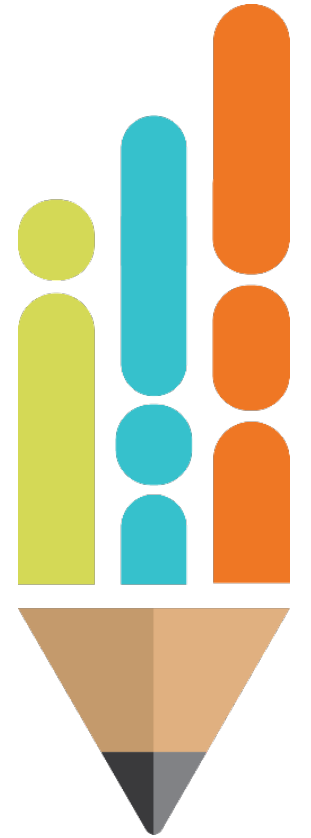
- The Acknowledgement of Allocation Adjustment form is in the ePlan Data and Information tab
 - Select **2024** from the drop-down box.
 - Select **Acknowledgment of Allocation Adjustment** from the list
 - Click **Draft Started** for the Acknowledgment of Allocation Adjustment form. If you are unable to click Draft Started, hover over the Draft Started button to see a list of individuals who have access.
 - Click **Confirm** to change the *Acknowledgment of Allocation Adjustment* form status to **Draft Started**.



Cover Page: Walkthrough of Acknowledgment of Allocation Adjustment

Select the Cover Page and complete the following information:

- Name of the Person Completing the Form
- Email Address
- Phone Number



Allocation Adjustment: Walkthrough of Acknowledgment of Allocation Adjustment

Grant	Total Allocation Adjustment	Number of Years of Adjustment	Adjusted Amount per Year
Title I, Part A			
Title I, Part A Neglected			
Title II, Part A			
Title IV, Part A			
ESSER 3.0			
ARP Homeless			

- **Grant:** Name of Impacted Grant
- **Total Allocation Adjustment:** the total difference between original FY18-FY22 allocations and the recalculated FY18-FY22 allocations.
 - Negative amounts are reflected in parentheses (\$0.00) and indicate an overpayment in FY18-22. This amount will be reduced from the LEA's allocation over the number of years of adjustment (beginning in FY24).
- **Number of Years of Adjustment:** Total Allocation adjustments will be rectified over 1, 2, or 7 years.
- **Adjustment Amount Per Year:** Amount of funds to be added or deducted per year, i.e., Total Allocation Adjustment divided by the Number of Years of Adjustment.

Assurances: Walkthrough of Acknowledgment of Allocation Adjustment

For each grant, check the assurance.

LEA Selections

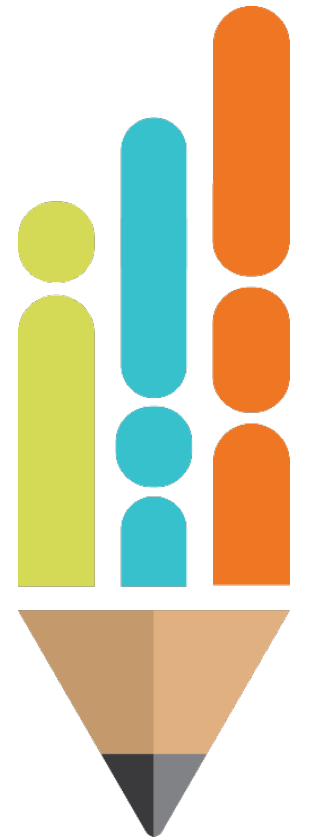
The LEA understands that its FY24 Title I, Part A allocation adjustment will be the amount shown in the table.

For each grant where the LEA will see an increase in funds then select the LEA response from the multiple-choice options. These options are not required for grants where the LEA will see a decrease or no change in funds.

The LEA was allocated an increase in funds.

The LEA accepts these additional funds that the LEA is entitled to from the allocation adjustment.

The LEA declines these funds entitled to from the allocation adjustment.



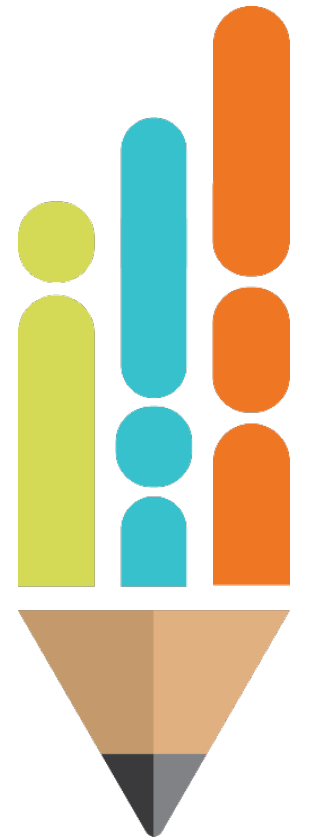
Allocation Adjustment Process

(Q&A Document)

How will LEAs be able to receive the allocation adjustments?

For State Fiscal Year (SFY)24 allocations, LEAs must acknowledge adjusted allocations in the Acknowledgement of Allocation Adjustment form in ePlan by **May 1, 2024**.

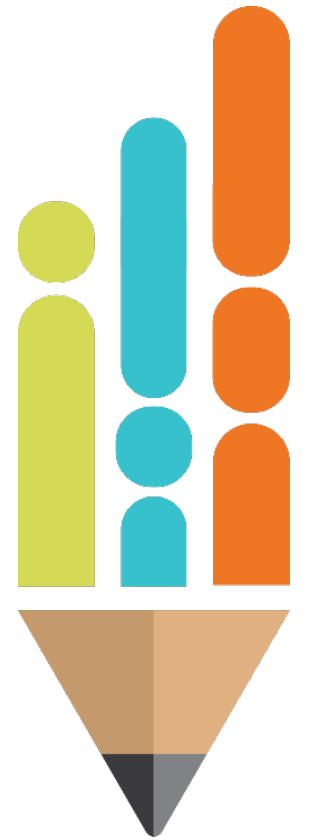
- Please see [this resource](#) for instructions to complete the form.
- All allocation adjustments were calculated, excluding ARP Homelessⁱ, and loaded in ePlan.



For ESSA Title I, Part A; ESSA Title I, Part A—Neglected; and ESSA Title IV, Part A;

LEAs experience one of two scenarios:

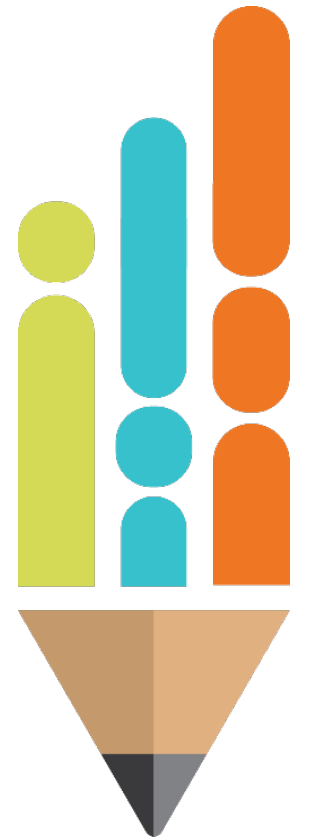
- The LEA received an **increase** in allocations, and the “**Original**” (actual fiscal year) and “**Reallocated**” (increase resulting from allocation adjustment) rows reflect these funds. The two numbers added together are the **new allocation**.
- The LEA received a reduction in allocations, and the “**Original**” line is the new allocation (actual fiscal year minus the adjusted allocation amount).



For ESSA, Title II, and ESSER funds,

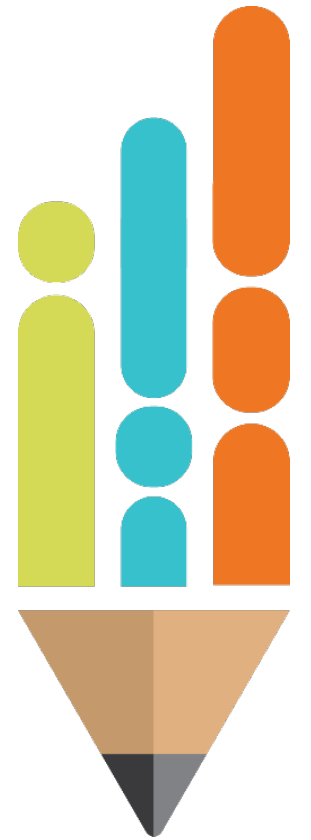
LEAs experience one of two scenarios:

- LEA received an **increase** in allocations, and the **“Original”** (actual fiscal year) and **“Reallocated”** (increase resulting from allocation adjustment) rows reflect these funds. The two numbers added together are the new allocation.
- The LEA incurred **no change** to their allocation amount; there is noted a change in the location of the allocations: the **“Original”** (actual fiscal year) and **“Additional”** (additional funds to return LEA to unadjusted allocation). The two numbers added together are the unadjusted allocation amount.



For ARP Homeless funds

- LEAs must decide to accept or decline additional funds in the Acknowledgement of **Allocation Adjustment form**, then funds will be loaded into the **“Original”** allocation line.



What is the period of performance of the adjusted additional allocations?

- Additional allocations granted to LEAs have the same period of performance as the original allocation amount. Below is a chart that states the obligation and liquidation deadlines for LEAs.

State Fiscal Year	Obligation Deadline	Liquidation Deadline
FY24	Sept. 30, 2025	Dec. 29, 2025
FY25	Sept. 30, 2026	Dec. 29, 2026
FY26	Sept. 30, 2027	Dec. 29, 2027
FY27	Sept. 30, 2028	Dec. 29, 2028
FY28	Sept. 30, 2029	Dec. 29, 2029
FY29	Sept. 30, 2030	Dec. 29, 2030
FY30	Sept. 30, 2031	Dec. 29, 2031

Dates in the chart reflect additional time by the Tydings Amendment, Section 412(b) of the General Education Provisions Act (GEPA).



ESSA Provisions

Do LEAs have to provide equitable services to qualifying non-public schools?

- LEAs that received additional funds because of the adjustments are required to include these funds in calculating the proportional share of such funds to provide equitable services to eligible non-public school students, educators, and families consistent with ESSA § 1117 and ESSA § 8501.



Can LEAs transfer funds into other respective grant programs?

- LEAs may transfer funds allocated under ESSA, Title II, Part A, and Title IV, Part A grants. No other grant programs allow the transfer of funds. Consultation with non-public schools is required before the transfer if a transfer affects students or educational personnel from non-public schools. Eligible grant funds can only be transferred into specific grant programs:
 - Title II, Part A funds may be transferred to Title I, Part A; Title I, Part C; Title I, Part D; Title III, Part A; Title IV, Part A; and Title V, Part B, Subpart 2.
 - Title IV, Part A funds may be transferred to Title I, Part A; Title I, Part C; Title I, Part D; Title II, Part A; Title III, Part A; and Title V, Part B, Subpart 2 (ESSA § 5103).



How does the allocation adjustment impact the LEA's hold-harmless amounts?

- ESSA requires Title I, Part A funds to be allocated under four separate federal formulas, each with its own hold-harmless provision. Each LEA's hold-harmless amount for the subsequent fiscal year will be based on the original allocation before the required adjustment.





How does the allocation adjustment impact grant carryover limitation provisions?

- The additional funds do not count toward carryover limitations under ESSA and state requirements. The LEA's original allocation amount is used to calculate the state and federal carryover limitation grant requirements under ESSA § 1127(a).



How is the contribution for the administration impacted?


- LEAs can utilize the “Original,” “Reallocated,” and “Additional” amounts (as applicable) on the Allocations page in the Consolidated Funding Application (CFA) to calculate administration contributions. According to the department, LEAs must contribute no more than the maximum percentages below for each grant:
 - Title I, Part A; Title I, Part A—Neglected; and Title II, Part A; cannot exceed 20 percent.
 - Title IV, Part A cannot exceed two percent.

Note: The administrative percentage is based on direct administrative costs and indirect costs.

- All ESSA programs administered with consolidated administration (con admin) funds must contribute a minimum of \$100.



Relief Grant Provisions



Must LEAs receiving additional ESSER 3.0 funds as a result of the adjustments use the funds for allowable uses under ARP Act § 2001(e)?


- Yes, LEAs that received additional ESSER 3.0 funds must use the funds only for allowable uses under ARP Act § 2001(e). LEAs may access ED's Frequently Asked Questions for additional guidance on the allowable use of funds.



Must LEAs receiving additional ESSER 3.0 funds reserve 20 percent of the total ESSER 3.0 allocation to address learning loss?

Yes, each LEA must reserve at least 20 percent of funds to address learning loss through the implementation of evidence-based interventions and ensure that those interventions respond to students' social, emotional, and academic needs to address the disproportionate impact of COVID-19 on underrepresented student subgroups. The department released examples of allowable uses to meet this requirement.





Must LEAs receiving additional ARP Homeless 2.0 funds as a result of the adjustments use the funds for allowable uses under ARP Act § 2001(e)?

Yes, LEAs receiving additional ARP Homeless 2.0 funds must use the funds consistent with ARP Homeless 2.0 requirements. The department has released examples of allowable uses to meet this requirement.



Will the department allow requests from LEAs for an extension to liquidate ESSER 3.0 (ARP ESSER) and ARP Homeless funds?

- The department will accept requests for liquidation extension on behalf of its subgrantees. The department must submit all liquidation extension requests for properly obligated funds to ED for approval. The Liquidation Extension Request will tentatively open in ePlan on Oct. 15, 2024, for LEAs to complete. All LEAs may request an extension to liquidate funds regardless of an increase or decrease in allocation.
- ED's final approval of a grantee's written request is based upon the specific facts and circumstances in accordance with 2 C.F.R. § 200.344(b). If approved under this process, grantees and subgrantees may have an extension to the liquidation period of up to 14 months beyond the 90 days already available to liquidate funds.



Fraud, Waste or Abuse

Citizens and agencies are encouraged to report fraud, waste, or abuse in State and Local government.

NOTICE: This agency is a recipient of taxpayer funding. If you observe an agency director or employee engaging in any activity which you consider to be illegal, improper or wasteful, please call the state Comptroller's toll-free Hotline:

1-800-232-5454

Notifications can also be submitted electronically at:

<http://www.comptroller.tn.gov/hotline>