Frequently Asked Questions Regarding Federal Funds Not Released to Kentucky

This document is intended to address questions related to federal funding that, as of the date of this document, has not been released by the United States Department of Education (ED) to Kentucky for the following programs. Kentucky Department of Education (KDE) contacts are noted beside each program.

- Title I, Part C: Education of Migratory Students (<u>Christina Benassi</u> or <u>Bobbi Mayes</u>)
- Title II, Part A: Supporting Effective Instruction (Title II Consultants by District)
- Title III, Part A: English Language Acquisition, Language Enhancement, and Academic Achievement Act (Kaiman Triplett or Brandy Neal)
- Title IV, Part A: Student Support and Academic Enrichment Grants (Lee Bowling)
- Title IV, Part B: Nita M. Lowey 21st Century Community Learning Centers (<u>Brigette</u> <u>Stacy</u>)

Q1: How will districts wishing to cover impacted program costs using other funding sources obtain approval for reimbursements if the federal funds are eventually allocated to Kentucky?

A1: In order to get reimbursement, districts must complete the federal funding assurances in GMAP and, once if funds are eventually allocated, complete and obtain KDE approval for the impacted program application in GMAP or through the impacted program's application process. If funds are released, KDE will work through allocations and open applications as quickly as possible. KDE recommends completing the assurances in GMAP now, as you would if funds were available. This will help to ensure the district is ready to submit the applications and receive reimbursement as soon as possible.

In the meantime, districts may choose to carry out services typically provided under the impacted programs with other available funds. For existing federal funds, the district must ensure the expenditures are in the approved application.

Making expenditures and planning to later reimburse with impacted federal funds carries risks. For example, if the impacted funds are not allocated to Kentucky, there would be no reimbursement available. However, if districts choose this route, they must ensure expenditures meet the impacted programs' intent and are otherwise reasonable, allocable, and necessary. Please note, there is no known timeline or certainty for impacted funds to be released to Kentucky.

In the event funds are released to Kentucky, KDE will plan to allow pre-award costs (those costs incurred prior to impacted program application approval) back to the latter of July 1, 2025 or the date the district submitted federal funding assurances, so long as those expenditures are included in the application and are approved by KDE program staff.

See the following, related citations from the ED General Administrative Regulations (EDGAR).

- 200.458 Pre-award costs
- 76.708 When certain subgrantees may begin to obligate funds.

Q2: Does signing the federal funding assurances for school year 2025-26 obligate the district to carry out those impacted program services in the absence of funds?
A2: Districts should continue to carry out services for impacted programs to the greatest extent possible using previous years' carryover funds. Once those funds are exhausted and based on local need and capability, districts may continue services typically provided under impacted programs using other funds, potentially requesting reimbursement if those funds are later released to Kentucky. (See Q1 above for details regarding reimbursements.) However, in the absence of funds, districts will not be required to carry out impacted program services when carryover funds are exhausted, and KDE will exercise flexibility during this time to accommodate local decision-making.

Q3: What are the supplement, not supplant implications if a district decides to cover impacted program services under one program and seek reimbursement from the typical impacted program funding source at a later date?

A3: In general, during periods when funding is cut or paused, such as this, districts may rebut an auditor's supplanting presumptions by documenting the lack of funds. Districts may consider documenting, for example, communications from KDE, board of education or leadership budget meeting agendas and minutes, or other appropriate records. For example, a district that decides to continue migrant services during the 2025-26 school year through general funds during the period funding is not released to Kentucky, may return costs to the migrant funding source if those funds are eventually released, using its documentation to rebut supplanting presumptions.

Q4: How should districts handle equitable services for impacted programs?A4: Districts must continue to provide required services through previous years' funds. For example, if a district has obligated services through 2024-25 funds, it must continue to provide services until the equitable share is exhausted.

In the absence of funds for school year 2025-26, districts will not have funds to obligate for equitable services and will institute a services pause. However, if funds are eventually allocated, the district must be prepared to begin services immediately. It is highly recommended to complete consultation and planning with private and home schools, including providing consultation for impacted programs, submitting the equitable services packet in GMAP to prepare for this.

Q5: What other flexibilities can districts take advantage of during this period. **A5:**

• Transferability: Districts may transfer all or part of its Title II, Part A or Title IV, Part A carryover into other programs under the Every Student Succeeds Act (ESSA). Transfers may only be made between programs within the same fiscal year. See Sections T and U of this U.S. Department of Education (USDE) non-regulatory

guidance document and this fact sheet for further details or contact one of the KDE staff listed at the top of this document. Note, there may be certain factors to consider when it comes to transferability, such as its affect on equitable services already or to be provided and carryover limitation requirements.

• Carryover and period of availability waivers: KDE received approval from ED for these waivers in June. See the article titled "Kentucky's ESEA Waiver Request Approved" in the June 17 *Commissioner's Weekly Message* for more details.