

Office of Federal Programs Updates

Financial School Business Services Conference
July 25, 2024



NORTH CAROLINA
State Board of Education
Department of Public Instruction

NCDPI OFP Team

Division Leadership

Alex Charles
Senior Director

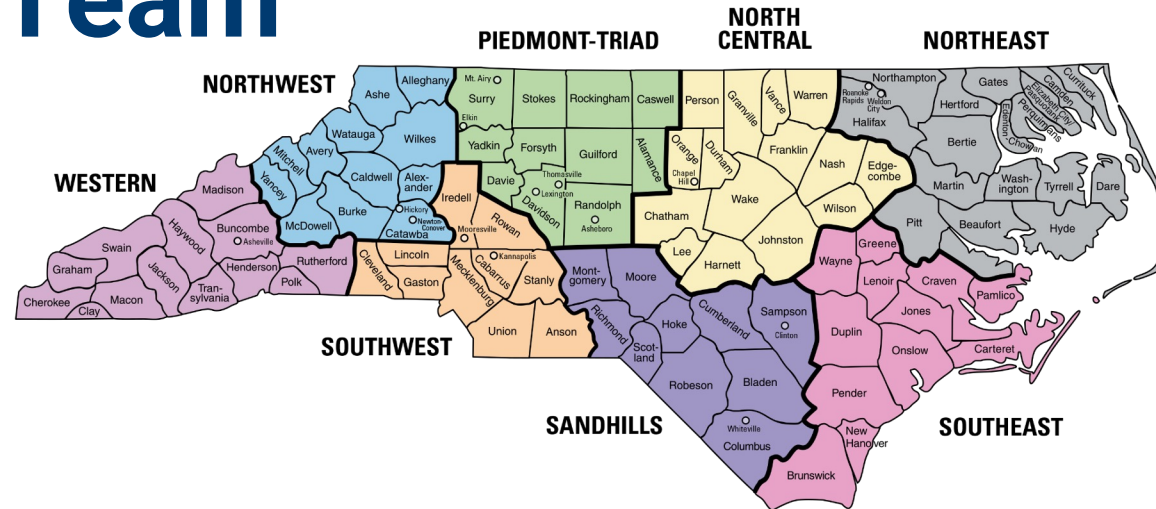
Melissa Eddy
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Tim Dryman
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James Popp
Section Chief – CTSS/IMPACT

Heriberto Corral
Section Chief – Migratory Programs



Consolidated Team

Shawna Andrews- Northeast

Dr. Nick Anderson-Southwest

Julie Hill- Southeast

Dr. Masa Kinsey-Shipp- Sandhills

Paul Perotta- Western

Laura Popp- Piedmont Triad

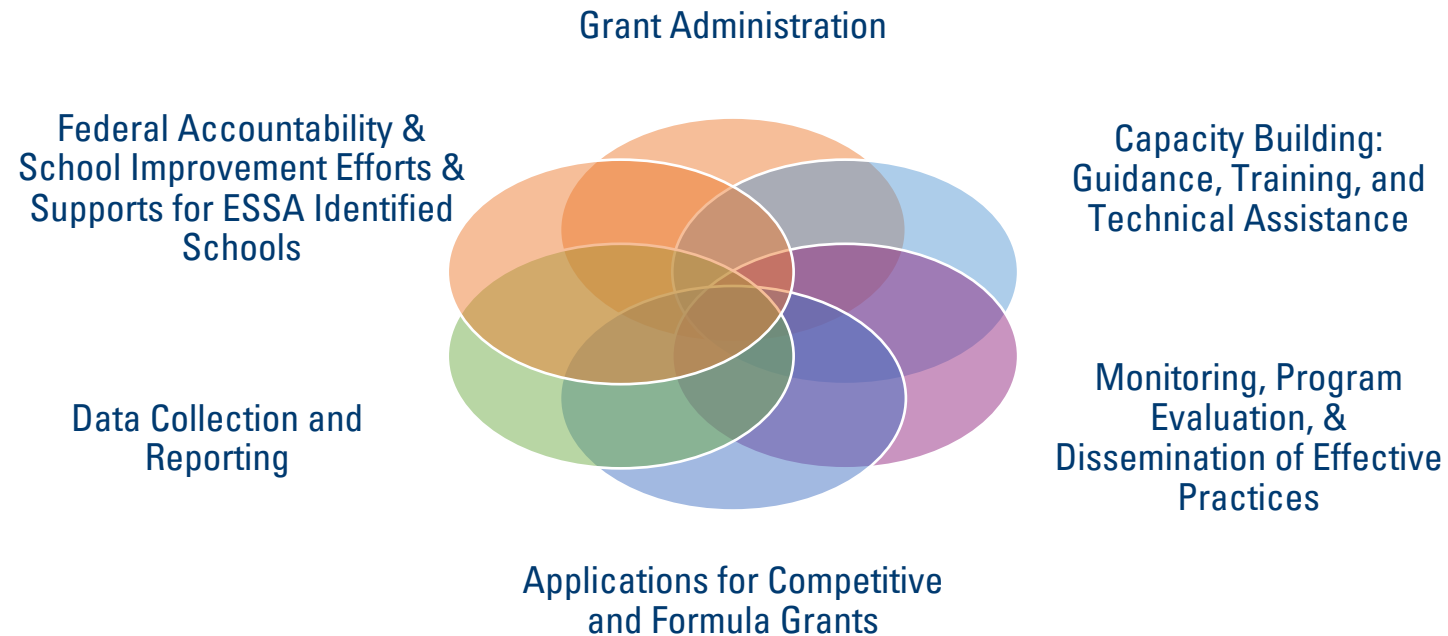
Jessica Duncan-Northwest

Jennifer Smith-North Central

Office of Federal Programs (OFP)

Supports over
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Federal Grant Types

Formula Grants: **Non-Competitive** awards based on a predetermined formula

Formula grants under ESEA that affect many NC school districts are primarily governed by:

- Title I-A – Improving Basic Programs Operated by Local Educational Agencies;
- Title II-A – Supporting Effective Instruction;
- Title III-A – English Language Acquisition, Language Enhancement and Academic Achievement; and
- Title IV-A – Student Support and Academic Enrichment Grants (newly reauthorized under ESSA).

Smaller formula grants under ESEA that serve specific student groups or schools include:

- Title I-C – Education of Migratory Children
- Title I-D – Neglected, Delinquent, and At-Risk
- Title V – Small, Rural, and Low-Income Programs
- CSI and TSI Supports

Federal Grant Types

Discretionary Grants: **Competitive** awards where applications go through formal review process

Competitive grants under ESEA:

- Title IV-B – 21st Century Community Learning Centers
- Title IX-A – Homeless Children and Youth (McKinney-Vento)

Competitive Grants NC runs through Titled Set-Asides:

- Innovative Partnership Grant (IPG)
- NC's Stronger Connections Grant (NCSCG)



Federal Grant One-Pagers

Office of Federal Programs Federal Grant Technical Assistance One-Pagers



ESSA Title V, Part B Section 5221: Rural and Low-Income School (RLIS) Program	
Grant Basic Overview	Grant Name: Rural and Low-Income School (RLIS) Program
	PRC Code: 109
	Period of Availability: 27 months
The purpose of this program is to:	To provide additional resources for rural and low-income schools that might otherwise receive formula allocations in amounts too small to be effective in meeting their intended purpose. RLIS funds a variety of activities including teacher recruitment and professional development, support for educational technology, parental involvement activities and more.
Allowable Cost Examples:	Grant funds shall be used for any of the following: a) Title I, Part A Improving the Academic Achievement of the Disadvantaged (PRC 050) b) Title II, Part A Supporting Effective Instruction (PRC 103) c) Title III English Learner (PRC 104) d) Title IV Part A Student Support and Academic Enrichment Grants (PRC 108) e) Parental Involvement Activities
Grant Rules or Special Spending Provisions:	Title V, Part B is governed by the Supplement, Not Supplant provision that prohibits LEAs from using Title V, Part B funds to supplement other federal, state, and local funds.
Carryover:	Each project can be awarded funds for a period of time beginning July 1 st and ending September 30 th the following year. The Tydings Amendment can extend the grant period to 27 months by allowing unexpended funds as <u>of September 30th</u> to carry over. No cap on carryover amount.



Title I Funding Cuts



Title I

- **This year NC experienced more than a \$10 million cut to Title I**
- Over \$8 Million of the cut was realized by the PSUs
- Combine this with poverty shifts and funding model changes, many PSUs saw a reduction in their Title I allocations from the previous year



What are some factors for Title I

- For the past several years, we have been held harmless due to COVID
- Stimulus checks and other government supports have affected census poverty numbers
- Title I is comprised of four funding formulas, which come together to make the allotment that you know as Title I



ESSER Closeout- September 30, 2024



The sunset is quickly approaching...

- All ESSER III funds must be encumbered by September 30, 2024, and liquidated by December 30, 2024.
- There is not an exception to this rule!
- Personnel cannot be paid beyond September 30, 2024.

Prepayment of Contracts

For ESSER Only! –

Prepayment of contracts are allowed!

FAQ Quotes:

Generally, it is not good stewardship of Federal funds or prudent business practice to prepay for services that will extend many years into the future. However, under limited circumstances where a grantee or subgrantee timely obligates ESSER or GEER funds, ESSER- or GEER-funded activities may continue for a reasonable time beyond the liquidation period (including an approved late liquidation period).

Pre-payment Continued

Grantees and subgrantees must obligate funds by each program's deadline, which means that if a grantee or subgrantee enters into a contract for activities that continue past the date of obligation and the contractor does not provide the services, the grantee or subgrantee may not enter into a new contract or obligate those funds for a different allowable use. Instead, those funds that were obligated for services that were not delivered will remain unused and will be returned to the U.S. Treasury.

Please note that the SEA, LEA, or subgrantee would be responsible for returning to the Federal government the cost of any services that were paid with Federal funds but not received. **Under no circumstances may services extend beyond the date on which funds revert to the U.S. Department of Treasury ([31 USC § 1552](#)), which occurs four years after the obligation deadlines referenced in FAQs E-1, E-2, and E-3.** However, nothing prevents an SEA or LEA from continuing successful activities or services with non-ESSER/GEER funding.



Liquidation Extension

- Funds must be encumbered by **September 30, 2024**
- During the liquidation period, something prevents the project from being completed. If this is the case, then you would qualify to apply for a liquidation extension.
- FBS will send out information on this around October
- SEA apply once, including any PSU who needs the extension, at the end of December

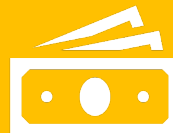
Coding Matters



Once we pass September 30, 2024, encumbrances are locked in



This means that codes cannot be changed to accommodate new of initiatives or even a higher level of specificity



Liquidation can only be accomplished through the exact codes that funds were encumbered in



ESSER Survey



ESSER Annual Survey

- This is the authoritative report to the US Department of Public Instruction.
- Some of this data is self-reported
- 20% Mandatory ARP Learning Loss Spending – this is self reported
 - Must meet the minimum requirement on the report
 - Failure to meet this minimum threshold could have serious repercussions


FBS Federal Grant Amount Tools

- [Federal Grant Year Balances](#)
- This shows the balances by grant year – pay extra attention to any funds remaining in FY23 and older grant years – these funds expire September 30, 2024, and must be encumbered or expended by this date.
- New Tools are coming to all for PSUs to ensure data accuracy of self-reported data
- These tools will help to compile and report on the ESSER Annual Survey




The background is a blurred image of a document. It features a line graph with a jagged line. A pen is visible in the upper right corner, pointing towards the graph. There are some numbers visible on the graph, such as '2.5' and '2,47'.

Grant Year Reporting



Don't Fault the
Messenger!

- 
- This was not our choice
 - This is a state government requirement that we put off as long as possible

Grant Year Reporting

Simply put – carryover is gone

Federal Grants are provided for 27 months

Grant funds remain and are budget in the grant year in which they were awarded

Bring on the multiple budget fun...



Since funds never leave their grant year, this means that multiple budgets will have to be submitted for the same grant program



All budgeted funds, over all grant years, will be included in one annual application. This has been the case for many years



This year, two budgets will exist for each federal grant

FY24 – Formally known as carryover

FY25 – Newly allotted funds

Budget Submission and Access

- FY25 – will be submitted as normal and will be included within the current application
- FY24
 - Has been transitioned to a budget only grant
 - These funds must be budgeted, submitted, and approved within FY24



Implementation of the **Final** Changes to the UGG



USED FAQs are coming...

Updates from BRUMAN

New Whistleblower Protections – 200.217

An employee of a recipient or subrecipient must not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is:

- Evidence of gross mismanagement of a Federal contract or grant,
- A gross waste of Federal funds,
- An abuse of authority relating to a Federal contract or grant,
- A substantial and specific danger to public health or safety, or
- A violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant.

The recipient and subrecipient must inform their employees in writing of employee whistleblower rights and protections under 41 U.S.C. 4712.

- *Recommendation: add to policies and procedures!*

Internal Controls – 200.303

MUST:

- Establish, **document**, and maintain internal controls
- Comply with requirements (including U.S. Constitution)
- Evaluate and monitor compliance
- Take prompt action to correct noncompliance
- Take **reasonable cybersecurity and other** measures to safeguard **information including** personally identifiable information (PII) and other types of information.
 - **This also includes** info the federal agency or pass-through designates as sensitive or info the recipient/subrecipient considers sensitive and is consistent with laws re privacy and responsibility over confidentiality.

Proposed Part 77.1

Definition proposed change:

- Period of performance to mean “period during which funds can be obligated by the grantee”
- Removes cross reference to UGG definition!

Procurement Clarifications:

1. Procurements by States **and Indian Tribes – 200.317**
 - States and **Indian tribes** follow their own policies and procedures. If such policies and procedures do not exist, more restrictive requirements under 300.218 through 200.327 apply.
- ~~2. Small Purchases~~ renamed **simplified acquisition procedures**
3. **Prohibition on using geographic preferences removed!**
4. **Board Members** now clearly included under conflict of interest rules
5. **New Contractor Preferences– 200.319**
 - Contractor preferences permitted re: job creation, benefits, on-the-job training etc.

Noncompetitive Procurements – 200.320(c)

Appropriate only when:

1. The aggregate amount of the transaction is under the micro-purchase threshold
2. **The procurement transaction** can only be fulfilled by a single source
3. There is a public emergency for the requirement that will not permit delay resulting from **providing public notice of** a competitive solicitation
4. The **recipient or subrecipient requests in writing to use a noncompetitive procurement method, and the** federal agency or pass-through entity provides written approval, or
5. After soliciting **several** sources, competition is determined inadequate



Contract Provisions – 200.327

Applicable provisions in Appendix II to the UGG must be included in all contracts procured with federal funds.

- Termination Clauses (over \$10,000)
- Debarment and Suspension Requirements (over \$25,000)
- **Davis-Bacon (as applicable)**
- Anti-Lobbying (over \$100,000)
- Breach of contract (over \$250,000)
- Domestic Preferences;
- Telecommunications and video surveillance services or equipment Requirements (200.216), etc.

Davis-Bacon Applicability



Projects for minor remodeling, renovation, repair, and/or construction of public buildings or public works; and

Contract is over \$2,000; and

Paid all or in part by federal funds = then

- **Must** meet prevailing wage requirements and include language in the contracts that all contractors or subcontractors must pay wages that are not less than those established for the locality of the project (prevailing wage rates) among other requirements.



Resources from OFP?



North Carolina Department of
PUBLIC INSTRUCTION