



**Informational Document on the
Rural Education Achievement Program (REAP)**

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U.S. Department of Education

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Purpose of the Document

This document is designed to provide State educational agencies (SEAs) and local educational agencies (LEAs) with essential information about the Rural Education Achievement Program (REAP). This informational document will supersede non-regulatory guidance on REAP published in 2003, providing information consistent with changes to the program enacted in the Every Student Succeeds Act (ESSA) of 2015, which reauthorized the Elementary and Secondary Education Act of 1965 (ESEA).

This document does not impose requirements beyond those in the ESEA and other Federal statutes and regulations that apply to REAP. The document is not intended to be prescriptive or exhaustive, but rather, one of many resources to support SEAs and LEAs in utilizing REAP to meet the needs of small, low-income, and rural schools. It is intended to be read in conjunction with the authorizing statute, applicable regulations, and the U.S. Department of Education's (Department's) guidance on other programs that are relevant to REAP (such as Title IV, Part A).

This document presents information about how the Department administers REAP to assist SEAs and LEAs with applying for, receiving, and using funds. The topics in this document address the frequent requests of small, rural LEAs to provide clear and current information on how to apply for, receive, and use REAP funds. By disseminating this document, the Department is committed to improving communication with all REAP grantees in order to support grantee understanding of program requirements and flexibilities.

Acronyms

ADA – Average Daily Attendance as defined by state law
AFUA – Alternative Fund Use Authority
BIE – Bureau of Indian Education
CSPR – Consolidated State Performance Report
DEPARTMENT – U.S. Department of Education
DUNS – Data Universal Numbering System
EDGAR – Education Department General Administrative Regulations
ESA – Educational Service Agency
ESEA – Elementary and Secondary Education Act
ESSA – Every Student Succeeds Act
FY – Fiscal year
GAN – Grant Award Notification
GEPA – General Education Provisions Act
GPRA – Government Performance and Results Act
LEA – Local Educational Agency
NCES – National Center for Education Statistics
NCLB – No Child Left Behind
OESE – Office of Elementary and Secondary Education
REAP – Rural Education Achievement Program
RLIS – Rural and Low-Income School Program
SAIPE – Small Area Income and Poverty Estimates
SAM – System for Award Management
SEA – State Educational Agency
SQA – Specially Qualified Agency
SRSA – Small, Rural School Achievement Program

I. INTRODUCTION

The Every Student Succeeds Act (ESSA), signed into law in December 2015, reauthorized the Elementary and Secondary Education Act of 1965 (ESEA).¹ The reauthorized ESEA maintains our country's commitment to provide all students with a high-quality education, while also recognizing the unique challenges some students, schools, and school districts face.

Part B of Title V of the ESEA authorizes the REAP. REAP is designed to help rural LEAs use Federal resources more effectively in order to address their unique needs. The formula grant funds and the fund use flexibility available under REAP enable these rural LEAs to participate more fully and effectively in many of the ESEA programs and allow them to provide better educational services to their students.

There are two programs authorized under REAP: the Small, Rural School Achievement (SRSA) program and the Rural and Low-Income School (RLIS) program. Under SRSA, the U.S. Department of Education (Department) awards grants each year directly to eligible LEAs nationwide based on a statutory formula. SRSA program grantees must be small and rural, and LEAs must apply directly to the Department each year. An LEA may use its funds on a range of authorized activities and also has the ability to use some of its ESEA formula funds more flexibly under the Alternative Fund Use Authority (AFUA), which is discussed in [section III. F](#) below.

The RLIS program provides grant funds to rural LEAs that serve concentrations of children from low-income families. Under RLIS, the Department awards funds to SEAs, which in turn make subgrants to LEAs. An SEA may award the RLIS grant funds to its eligible LEAs via a formula or via a competition. In some cases, the Department awards RLIS funds directly to eligible LEAs; these LEAs are referred to as specially qualified agencies (SQAs). Whether receiving a subgrant from its SEA or a grant directly from the Department, an LEA uses these funds to support a range of authorized activities, in order to assist students in meeting challenging State academic standards.

The focus of this document is implementation of REAP and its two component programs: SRSA and RLIS. The intended audiences for this information are LEA and SEA administrators. This informational document begins with an explanation of LEA eligibility for both REAP programs. It provides a description of the eligibility criteria for each program and the information the Department collects to determine eligibility. We encourage readers to first review the REAP Eligibility section to understand the eligibility criteria and then proceed to the section that addresses the program under which they receive or seek to receive funds.

The program-specific sections that follow provide important information on the program's application requirements, funding, grant administration, allowable uses of funds, performance reporting, monitoring and oversight, and, in the case of SRSA, AFUA.

¹ Throughout this document, unless otherwise indicated, citations to the ESEA refer to the ESEA, as amended by the ESSA.

II. REAP ELIGIBILITY

REAP funds are awarded to eligible LEAs, as established in the ESEA. This section explains those eligibility criteria in greater detail, describes how the Department collects the data needed to determine SRSA and RLIS eligibility for LEAs nationwide, including the roles SEAs and LEAs play in the collection of information, and addresses frequently asked questions about REAP eligibility. This section also provides considerations for LEAs eligible for both programs.

A. SRSA Eligibility

Statutory Citations

ESEA Sections 5211 and 5231

An LEA is eligible for the SRSA program if it meets the statutory criteria of being both small and rural (see ESEA section 5211(b)).

1. To be considered small, an LEA must have a total average daily attendance (ADA) of fewer than 600 students *or* exclusively serve schools that are located in counties with a population density of fewer than 10 persons per square mile.
2. To be considered rural, all schools within the LEA must have a school locale code of 41, 42, or 43 (assigned by the Department's National Center for Education Statistics (NCES)) *or* be located in an area of the State defined as rural by a governmental agency of the State (see questions [II-14 and II-15 below](#)).

In some States, the entity legally established to administer the SRSA program is an educational service agency (ESA), which is defined in section 8101(18) of the ESEA as “a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to [LEAs].” Section 5211(b)(1)(C) of the ESEA clarifies that an individual LEA within an ESA may apply for and receive SRSA grant funds if that LEA meets the SRSA eligibility criteria and the ESA to which it belongs does not itself receive an SRSA award on its behalf.

Being eligible for the SRSA program does not guarantee that the LEA will receive an award. If the LEA wishes to receive a grant award, it must comply with any requirements established by the Department to receive an SRSA award for a fiscal year (FY), including any application requirements. Additionally, an LEA may be eligible for SRSA but receive an allocation of \$0 based on the funding formula (i.e., may not receive an SRSA award). For more information about the application process, see section III. A. [SRSA Application Requirements](#).

Regardless of whether an SRSA-eligible LEA receives a grant award, the LEA may still make use of AFUA. For more information about AFUA see section III. F. [Alternative Fund Use Authority](#).

B. RLIS Eligibility

Statutory Citations

ESEA Sections 5221 and 5231

Regulatory Requirements

Title 34 of the Code of Federal Regulation (C.F.R.) Section 200.72

An LEA is eligible to participate in the RLIS program if it meets the criteria of being both low-income and rural (see ESEA section 5221(b)(1)).

- (1) To be considered low-income, 20 percent or more of the children ages five to 17 served by the LEA must be from families with incomes below the poverty line, based on data from the U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE). Rural non-geographic LEAs for which SAIPE data are not available that are eligible based on the same State-derived equivalent of SAIPE data that the State uses to make allocations under Part A of Title I of the ESEA, consistent with 34 C.F.R. § 200.72, are also eligible for RLIS funds.
- (2) To be considered rural, all schools comprising the LEA must have a school locale code of 32, 33, 41, 42, or 43 (assigned by NCES), or be located in an area of the State defined as rural by a governmental agency of the State (see questions [II-10 through II-15 below](#)).

RLIS-eligible LEAs do not receive their grant funds directly from the Department. The Department awards funds to SEAs administering the RLIS program, which in turn award subgrants to eligible LEAs based on SEA procedures. Therefore, an SEA may establish an award process that does not guarantee every RLIS-eligible LEA will receive a grant. For more information about SEA responsibilities for administering the RLIS program, see section IV. C. [SEA Administration of RLIS](#).

C. Choice of Participation

Statutory Citations

ESEA Section 5225

Prior to FY 2017, any LEA that met the eligibility criteria for both the SRSA and RLIS programs was, per the REAP statute at the time, funded under SRSA instead of RLIS. With the enactment of the ESSA, Congress added a new “choice of participation” provision to the REAP statute that enables an LEA eligible for both programs to choose SRSA or RLIS (see ESEA section 5225(a)). The Department refers to LEAs eligible for both REAP programs as “dual-eligible” LEAs.

A dual-eligible LEA indicates a choice of participating in SRSA by submitting an SRSA application to the Department. A dual-eligible LEA that submits an SRSA application in accordance with the application submission procedures will receive an SRSA award (as long as the statutory funding formula does not result in an LEA allocation of \$0). A dual-eligible LEA that does not submit an SRSA application in accordance with SRSA application submission procedures will be included in the RLIS cohort for that fiscal year.

The Department notifies SEAs which dual-eligible LEAs are in the RLIS cohort by sending the list of RLIS-eligible LEAs to SEAs, including dual-eligible LEAs that did not submit an application for SRSA. While the Department cannot advise individual LEAs on which program to choose, [Appendix A](#) of this document lists factors an LEA should consider when making its decision. Additionally, the Department will make available on its website information to assist dual-eligible LEAs in making an informed decision. The Department strongly encourages an LEA eligible for both REAP programs to research the requirements and provisions of both programs in order to determine which program best meets its needs.

D. Determining REAP Eligibility

Statutory Citations

ESEA Sections 5211 and 5221

The Department begins the process of determining REAP eligibility almost a year before it intends to make awards. The process is completed in phases and uses data from multiple sources.

During Phase 1, NCES creates a list of LEAs using the NCES Local Education Agency Universe Survey (LEA Directory) for the Department. This list of LEAs is the basis of the REAP Master Eligibility Spreadsheet, which is a subset of the LEAs in the LEA Directory. In preparing the file for determining REAP eligibility, NCES generally excludes entities whose operational status or LEA type (e.g., Federally Operated Agency) disqualifies an LEA from REAP eligibility ([see question II-5 below for additional information](#)). NCES populates the file with the most recently available (1) school locale code for each school in each LEA, (2) county population density and (3) poverty rates by LEA. The county population density data and the poverty data are originally collected by the U.S. Census Bureau.

Phase 2 involves separating the REAP Master Eligibility Spreadsheet into a separate Excel spreadsheet for each State and making the spreadsheets available to SEAs, thereby enabling them to submit the data needed for the Department to make REAP eligibility determinations and allocation calculations for each LEA.

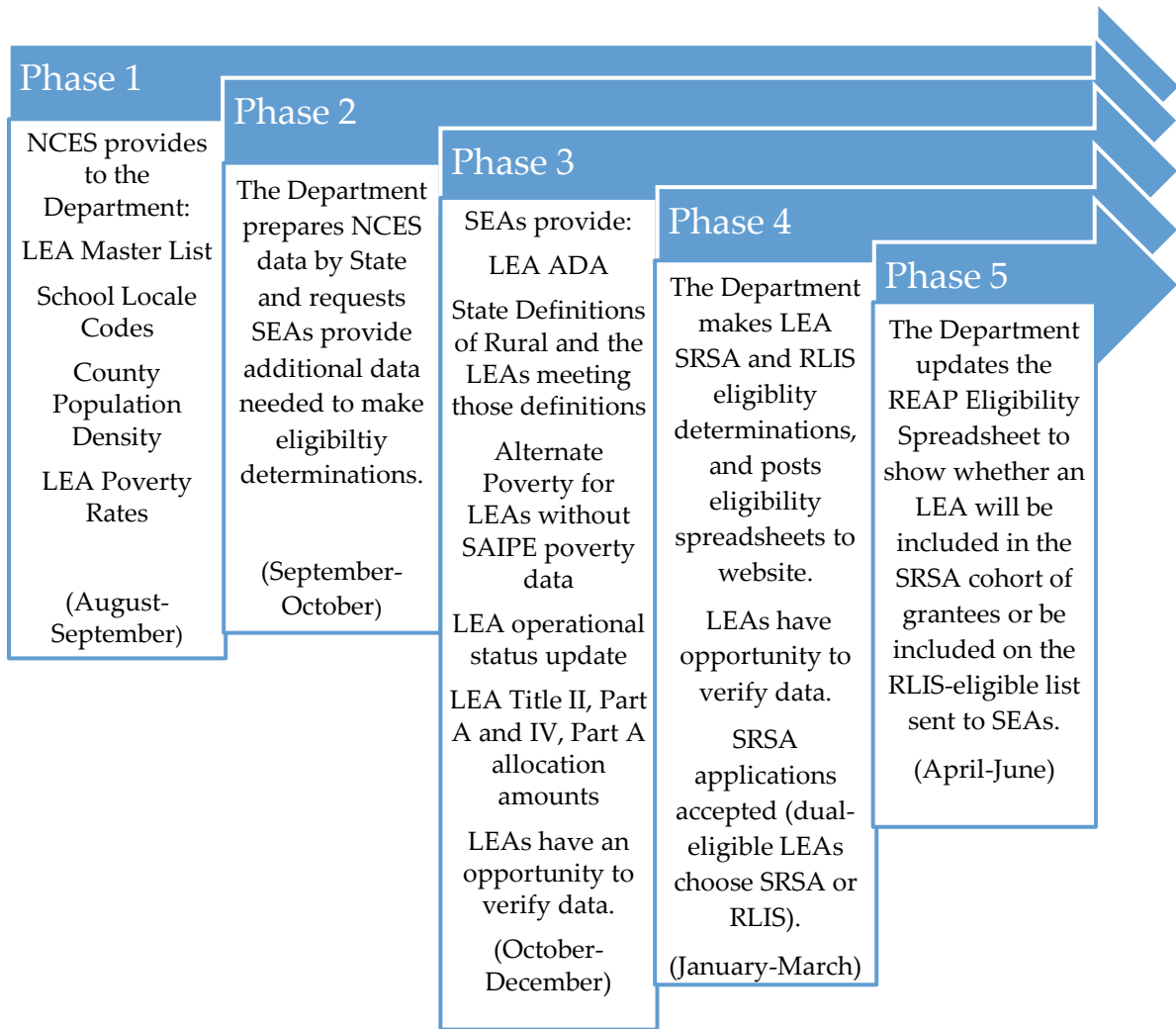
During Phase 3, SEAs provide information that the Department needs to make awards to LEAs; that information includes: ADA, alternate poverty data for LEAs for which the U.S. Census Bureau does not provide poverty data (i.e., non-geographic LEAs such as charter schools), LEA contact information, and, if applicable, whether the LEA is located in an area designated as rural by a State agency. SEAs also inform the Department of any LEA included in the LEA Directory that is no longer in existence or that will not be in existence during the performance period (i.e., upcoming school year). SEAs also provide the full funding amounts their LEAs received as subgrants under Part A of Title II of the ESEA (Title II, Part A) and Part A of Title IV of the ESEA (Title IV, Part A) that are used in the SRSA award calculations. The Department publishes on its website the initial eligibility spreadsheet, notifies LEAs that the data is available for review, and LEAs then have the opportunity to verify the data. If an LEA believes that there is an error with the data that the SEA has submitted to the Department, it should reach out to its SEA, which should then contact the Department if it believes a correction is necessary.

In Phase 4, the Department uses the data provided by SEAs to determine if an LEA is eligible for either the SRSA or RLIS program or, in some cases, eligible for both programs. The Department publishes this information in the REAP Master Eligibility Spreadsheet and makes it available to the public on its website. During this phase, LEAs again have an opportunity to verify that the data are correct. Each LEA should review the spreadsheet to determine its eligibility status and, if an LEA believes there is an error, it should reach out to its SEA, which should report the matter to the Department for review and, if applicable, correction. After a correction period, the Department then accepts SRSA applications. LEAs intending to apply for RLIS funds do not need to take any action during this phase.

In Phase 5, the Department updates the REAP Master Eligibility Spreadsheet to indicate which LEAs are in the SRSA cohort of grantees (i.e., those LEAs that applied for SRSA funds) and which LEAs are in the RLIS cohort of grantees. SEAs will use this updated REAP Master Eligibility Spreadsheet to determine which LEAs are eligible to apply to the State for RLIS funds. The updated list takes into account which dual-eligible LEAs did not apply for SRSA and, therefore, are included in the RLIS cohort list.

See Figure 1 below for the REAP eligibility determination process by phase.

Figure 1: REAP Eligibility Determination Process by Phase (listed dates are approximate and may shift slightly from year to year).



Part II: Frequently Asked Questions

II-1 What is an LEA?

An LEA is defined in section 8101(30) of the ESEA as:²

“(A) IN GENERAL.—The term “local educational agency” means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State, or of or for a combination of school districts or counties that is recognized in a State as an administrative agency for its public elementary schools or secondary schools.

(B) ADMINISTRATIVE CONTROL AND DIRECTION.—The term includes any other public institution or agency having administrative control and direction of a public elementary school or secondary school.

(C) BUREAU OF INDIAN EDUCATION SCHOOLS.—The term includes an elementary school or secondary school funded by the Bureau of Indian Education but only to the extent that including the school makes the school eligible for programs for which specific eligibility is not provided to the school in another provision of law and the school does not have a student population that is smaller than the student population of the local educational agency receiving assistance under this Act with the smallest student population, except that the school shall not be subject to the jurisdiction of any State educational agency other than the Bureau of Indian Education.

(D) EDUCATIONAL SERVICE AGENCIES.—The term includes educational service agencies and consortia of those agencies.

(E) STATE EDUCATIONAL AGENCY.—The term includes the State educational agency in a State in which the State educational agency is the sole educational agency for all public schools.”

II-2 What is an ESA?

An ESA is defined in section 8101(18) of the ESEA as “a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to [LEAs].”

² Title VIII of the ESEA provides statutory definitions and is available here: <https://www2.ed.gov/policy/elsec/leg/essa/legislation/title-viii.html#TITLE-VIII-PART-A>.

II-3 What is an SEA?

A State educational agency is defined in section 8101(49) of the ESEA as “the agency primarily responsible for the State supervision of public elementary schools and secondary schools.”

II-4 What is the LEA Directory?

The LEA Directory, officially referred to by NCES as the Local Education Agency Universe Survey, is a subset of the data submitted by SEAs to the Department through *EDFacts*, a centralized data collection system of the Department. The goal of the LEA Directory is to provide a complete listing of the education agencies in the United States that are responsible for providing free public elementary and secondary instruction or education support services and to provide basic information about all education agencies and the students within those agencies. The LEA Directory provides key education statistics to the Department, as well as serves as a sampling frame for studies on public elementary and secondary education. The Department also uses the LEA Directory to develop the REAP Master Eligibility Spreadsheet. For more information about NCES’ Local Education Agency Universe Survey data, please visit <http://nces.ed.gov/ccd/pubagency.asp>.

II-5 Does the REAP Master Eligibility Spreadsheet include all LEAs in the LEA Directory?

No. The REAP Master Eligibility Spreadsheet does not include all LEAs in the LEA Directory. An entity is not included in the REAP Master Eligibility Spreadsheet if it has an operational status of closed or inactive. The list also excludes an entity that is generally not considered to be an LEA by its SEA, such as those identified as a State-Operated Agency, Federally Operated Agency, and Other Education Agency, as well as LEAs that operate only fully virtual schools.

II-6 If an LEA has closed or will close prior to the beginning of a grant’s performance period, can the LEA still receive a REAP, either SRSA or RLIS, award?

No. An LEA that has closed or will close prior to a grant’s performance period is not eligible to receive an SRSA or RLIS award, regardless of whether the LEA was included in the LEA Directory used to determine the master list of LEAs for that particular performance period.

II-7 May a charter school participate in the REAP program?

A charter school’s eligibility for the SRSA or RLIS program depends upon whether the charter school is an LEA. If a charter school is reported as an LEA by the State and meets the definition of LEA in ESEA section 8101(30), it is eligible to receive an SRSA or RLIS grant award so long as it meets the eligibility criteria for these programs. A charter school that is a public school but not an LEA is not eligible for RLIS or SRSA award. However, it may participate in the program through its LEA, provided the LEA receives either an RLIS or SRSA award.

II-8 May an LEA that serves one or more “full virtual” schools, in addition to one or more non-virtual schools, participate in either of the REAP programs?

Yes. However, such an LEA may not serve those “full virtual” schools with its REAP funds. A full virtual school is defined by NCES as a school with no physical building where students meet with each other or with teachers and all instruction is virtual. These schools are not included when determining an LEA’s REAP eligibility and award amount. The SRSA and RLIS grant programs were created to address the unique capacity and resource access challenges faced by schools and LEAs serving students who reside in rural and remote communities. Because “full virtual” schools serve students regardless of the residence of their students, they are excluded from the ADA count.³

II-10 What are school locale codes, and how are locale codes 32, 33, 41, 42, and 43 defined?

The locale code is a geographic indicator of the type of community where a school is located. There are 12 categories, ranging from “City, Large” to “Rural, Remote.” All territory in the United States is classified by locale. The Department’s NCES assigns locale codes to schools based on the physical location of the school. The Department uses school locale codes to determine if an LEA can be considered rural for purposes of the REAP program. The school locale codes required for SRSA program eligibility are 41, 42, and 43. The school locale codes required for RLIS program eligibility are 32, 33, 41, 42, and 43.

The relevant locale codes for the SRSA and RLIS programs are defined by NCES as:

Locale Code 32 - Town, Distant: Territory inside an urban cluster that is more than 10 miles and less than or equal to 35 miles from an urbanized area.

Locale Code 33 - Town, Remote: Territory inside an urban cluster that is more than 35 miles from an urbanized area.

Locale Code 41 - Rural, Fringe: Census-defined rural territory that is less than or equal to 5 miles from an urbanized area, as well as rural territory that is less than or equal to 2.5 miles from an urban cluster.

Locale Code 42 - Rural, Distant: Census-defined rural territory that is more than 5 miles but less than or equal to 25 miles from an urbanized area, as well as rural territory that is more than 2.5 miles but less than or equal to 10 miles from an urban cluster.

Locale Code 43 - Rural, Remote: Census-defined rural territory that is more than 25 miles from an urbanized area and is also more than 10 miles from an urban cluster.

For more information about locale codes, please visit:

<https://nces.ed.gov/programs/edge/Geographic/LocaleBoundaries>.

³ See section 2.4.5 Virtual School Status at <https://www2.ed.gov/about/inits/ed/edfacts/eden/non-xml/fs129-15-3.docx> for NCES virtual definition.

II-11 How often are locale code designations updated?

NCES annually updates the school locale classification data item, based on data reported in the NCES Common Core of Data (CCD), an annual collection of administrative data about enrollment, staffing, and program participation for schools, LEAs, and SEAs. As a result, an LEA with updated school rosters is encouraged to review the REAP Master Eligibility Spreadsheet annually to determine if it will be eligible for SRSA and/or RLIS for the upcoming school year.

II-12 How can an LEA find out the school locale codes of each of its schools?

The REAP Master Eligibility Spreadsheet from NCES includes all the unique school locale codes that exist within an LEA. An LEA can review this information on the REAP Master Eligibility Spreadsheet posted on the Department's website. However, it does not show the locale code that corresponds to each school within the LEA. Individual school locale codes are available on the NCES website at <https://nces.ed.gov/ccd/schoolsearch/> and can be viewed with the NCES locale look-up tool at <https://nces.ed.gov/programs/maped/LocaleLookup/>.

Please note, NCES also assigns a locale code to each LEA, known as the "LEA locale code." However, the ESEA provisions governing REAP eligibility (ESEA sections 5211(b)(1)(A)(ii) and 5221(b)(1)(A)(ii)) require that the Department determine eligibility for REAP based on the locale code of each individual school within an LEA. The NCES "LEA locale code" is not a factor in determining REAP eligibility.

II-13 How can an LEA learn whether all of the schools within its boundaries are located in counties with a population density of fewer than 10 persons per square mile?

NCES incorporates this data into the REAP Master Eligibility Spreadsheet. An LEA may review this information on the REAP Master Eligibility Spreadsheet posted on the Department's website. In addition, county population density data are available on the U.S. Census Bureau's website at <http://factfinder2.census.gov/>.

II-14 May a State deem an LEA as rural for purposes of RLIS or SRSA eligibility even if it does not have a locale code of 32, 33, 41, 42, and 43?

Yes, under some circumstances. The Secretary may waive the requirement that an LEA's schools have one of the required locale codes based on a demonstration by the LEA, and agreement by the SEA, that the LEA is located in an area defined as rural by a governmental agency of the State.

II-15 How might an LEA demonstrate it is located in an area of the State defined as rural by a governmental agency of the State?

In order to demonstrate the LEA is located in an area of the State defined as rural by a governmental agency of the State, the LEA and the [REAP coordinator at its SEA](#) should work together to determine whether a governmental agency of the State has a definition of rural that the LEA meets.

If the SEA is satisfied that the LEA is located in an area of the State defined as rural by a State governmental agency, the SEA provides the Department with the State governmental agency's definition of rural and those LEAs that meet the State rural definition as part of the REAP Master Eligibility Spreadsheet. If the Department agrees the definition is appropriate for that LEA, it will consider the LEA to be rural when determining eligibility for the SRSA and RLIS programs.

II-16 May the SEA be the State governmental agency that defines the area in which an LEA is located as rural?

Yes. The SEA, or any other governmental agency of the State, may have a definition of rural that includes the area where an LEA is located.

II-17 What data does the Department use to determine if an LEA meets the RLIS 20 percent poverty threshold?

The Department uses data from the U.S. Census Bureau's SAIPE program to determine, by LEA, the percentage of related children ages 5 through 17 who are from families with incomes below the poverty level. The Department uses the most recent poverty data available at the time it begins the annual process of determining REAP eligibility. To learn more about the U.S. Census Bureau's SAIPE program, visit <https://www.census.gov/programs-surveys/saipe.html>.

II-18 What if there is no Census poverty data available for an LEA?

An SEA may provide the Department the same derived Census poverty data that the State uses to make its allocations under Part A of Title I for an LEA for which Census poverty data are not available. The SEA should provide the derived Census poverty data for LEAs without Census poverty data during the eligibility determination window.

II-19 If an LEA that is eligible for both REAP grant programs chooses to participate in RLIS instead of SRSA, may the LEA still exercise the Alternative Fund Use Authority?

Yes. Any LEA eligible for the SRSA grant program, including a dual-eligible LEA that chooses to participate in RLIS, may exercise AFUA as long as the LEA notifies the SEA, in accordance with the SEA's timeline, of its decision to exercise AFUA.

II-20 Is there a list of LEAs currently eligible for the REAP program?

Yes. Each spring the Department publishes the REAP Master Eligibility Spreadsheet at <https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-programs/rural-education-achievement-program/small-rural-school-achievement-program/eligibility/>. On this site is a link to the spreadsheet that contains a list of all LEAs in the United States eligible for either the SRSA or RLIS program or eligible for both the SRSA and RLIS programs. The eligibility lists from recent years are also available at this website.

II-21 Does an LEA have the chance to review its eligibility data before the SEA submits it to the Department?

Yes. The Department collects data from SEAs in the fall of each year. The Department strongly encourages SEAs, before making this submission, to share with LEAs the data it intends to provide to the Department. An LEA should review the data carefully to verify its accuracy. The Department considers the SEA's submission as acknowledgement that the data are accurate and should be used to determine LEA eligibility for REAP grants. As described above in [Section II. A](#), an LEA has two other opportunities – during Phases 3 and 4 of the eligibility determination process – to review data that its SEA submitted to the Department. During these phases, the Department will post these data on the REAP Master Eligibility Spreadsheet, and an LEA should contact its SEA if it believes there is an error in the data.

II-22 How may an LEA inquire if it believes the data on the REAP Master Eligibility Spreadsheet are incorrect?

If an LEA identifies a possible error in the data, it should contact its [SEA REAP Coordinator](#) as soon as possible.⁴ The SEA REAP Coordinator will work with the Department to determine the best course of action. If the possible error is related to data the Department collects, the Department can assist the SEA REAP Coordinator with steps the LEA should take to resolve the possible error. The Department will work with the SEA REAP Coordinator to provide information on the steps the LEA or SEA must take to correct the reported data in the future.

⁴ See <https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-programs/rural-and-low-income-school-program/> for a list of State REAP contacts.

III. SMALL, RURAL SCHOOL ACHIEVEMENT (SRSA) PROGRAM

A. SRSA Application Requirements

Statutory Citations

ESEA Sections 5211 and 5231

Similar to other Federal programs, the Department awards SRSA grants to each LEA that submits an application in accordance with the application submission requirements established by the Department. Recognizing the staffing limitations of small, rural LEAs, the Department's SRSA application collects only the minimum information necessary to make a grant award.

Eligible LEAs can learn about the upcoming grant cycle and important dates by visiting the [REAP website](https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-programs/rural-education-achievement-program/small-rural-school-achievement-program/) at <https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-programs/rural-education-achievement-program/small-rural-school-achievement-program/>. The Notice of Application Deadline published in the *Federal Register* (at <https://www.federalregister.gov/>) provides official notice of the SRSA application timeframe, as well as the required procedures for submitting an SRSA application.

After the close of the application period, the Department goes through a final verification process to ensure the eligibility of applicants and that each applicant has submitted all required components of the application (see Section II. D. [Determining REAP Eligibility](#)). Once the Department determines the total number of eligible applicants that submitted complete applications, it then calculates individual award allocations for each eligible LEA and issues electronic grant award notifications (GANs) to these LEAs. An eligible LEA that submitted its application in accordance with the application procedures can expect to receive its SRSA GAN in the summer.

Part III-A: Frequently Asked Questions

III-A-1. What is a GAN?

A GAN is the official document that states the terms, conditions, and amount of an award and is signed by the Department official who is authorized to obligate funds. A grant award is not official until a GAN has been signed by the Department official and sent to the LEA.

III-A-2. If an ESA and its member LEAs meet the SRSA eligibility criteria, which entity should submit an SRSA application?

The ESA and its member LEAs should coordinate with each other to determine which entity will submit an application. An LEA that is a member of an eligible ESA is not eligible to submit an SRSA application if the ESA applies on its behalf; however, if the ESA does not submit an SRSA application on its behalf, the LEA may do so.

III-A-3. Is there a minimum or maximum length of time for which an LEA may participate in the SRSA program?

No. The Department determines LEA eligibility on an annual basis. As long as an LEA continues to meet the SRSA eligibility criteria and continues to comply with application requirements, the LEA may continue to participate in the program.

III-A-4. How does an LEA know if the Department received its SRSA application and if it will receive an SRSA grant award?

An LEA that has successfully submitted an application will receive a confirmation email.

NOTE: The issuance of a confirmation email does **not** guarantee an application will be funded. The Department will update the REAP Master Eligibility Spreadsheet on a regular basis throughout the application period to indicate which LEAs' applications have been received. The REAP Master Eligibility Spreadsheet is available at <https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-programs/rural-education-achievement-program/small-rural-school-achievement-program/eligibility/>.

If it meets all of the application requirements, the LEA will subsequently receive a GAN that includes the specific terms of its SRSA grant award.

III-A-5. Should an LEA submit an application if it has estimated its SRSA allocation using the statutory formula and determined it will likely result in a \$0 award?

Only an LEA can determine if it should submit an SRSA application. However, there are certain situations where the statutory formula will result in a final award amount of \$0 for an LEA. The SRSA statutory formula requires the Department to calculate both an initial award amount and a final award amount for an LEA. If the LEA's combined allocations for Title II, Part A and Title IV, Part A funds exceed the initial amount calculated for the LEA's SRSA award (\$60,000 is the initial amount maximum) (see section III. B. [SRSA Allocations to LEAs](#)), the statutory formula will result in a \$0 final award amount for the LEA. All of the data necessary to calculate the LEA's initial award amount, as well as estimated award allocations, are available on the [REAP Master Eligibility Spreadsheet](#).

Regardless of whether an eligible LEA applies for an SRSA grant award, the LEA may still exercise AFUA authority if it notifies its SEA of its intent to do so in accordance with established State procedures.

For more information about the SRSA funding formula, see section III. B. [SRSA Allocations to LEAs](#).

III-A-7. What if an LEA wants to withdraw its SRSA grant application?

If an LEA wants to withdraw its SRSA grant application, it must inform the Department that it does not wish to apply for or receive funds under the SRSA program prior to the Department issuing a GAN.

B. SRSA Allocations to LEAs

Statutory Citations

ESEA Sections 5212 and 5234

Congress determines the amount of funds available for the REAP program on an annual basis. Per ESEA section 5234, the REAP appropriation from Congress is divided equally between the SRSA and the RLIS programs. The maximum amount of SRSA funds an LEA may receive in any year is \$60,000.

The actual size of an LEA's allocation depends on several factors including: the amount of funds Congress appropriates for REAP, the number of LEAs that are eligible and apply for SRSA funds, the LEA's ADA for a preceding year, and the LEA's Title II, Part A and Title IV, Part A award amounts for a preceding fiscal year. The Department collects information on the Title II, Part A and Title IV, Part A award amounts from the SEAs when collecting eligibility data each year.

The Department calculates, for each LEA that is eligible and has submitted an application in accordance with the application requirements, an initial amount equal to \$20,000 plus \$100 for each student in average daily attendance for a preceding year above 50. An LEA's initial amount is limited to \$60,000. An LEA's allocation is equal to the initial amount minus the total amount of funding the LEA received for a preceding fiscal year under the Title II, Part A program and the Title IV, Part A program. For more information about which years' Title II, Part A and Title IV, Part A award amounts are used for the purposes of this calculation, please see [question II-B-4 below](#). If the combined amount of Title II, Part A and Title IV, Part A funding for a preceding fiscal year exceeds the LEA's initial SRSA award amount, the resulting final award amount would be \$0.

* The formula for calculating an LEA's SRSA grant allocation is:

- Initial Amount = $[ADA - 50] * 100 + \$20,000$
 - If $ADA \leq 50$, then initial amount = \$20,000
- Initial amount is capped at \$60,000
- Allocation = Initial amount - [a preceding year's Title II-A + Title IV-A allocations]

If the amount appropriated for SRSA is not sufficient to award the calculated allocations, all awards are ratably decreased. Alternatively, all award amounts are ratably increased if the amount of funds made available by Congress is more than the total of the calculated allocations.

The Department encourages eligible LEAs to use the formula, in combination with the following examples, to calculate an approximate allocation amount. All of the data necessary to calculate the LEA's initial award amount, as well as estimated award allocations calculated by the Department, are available on the REAP Master Eligibility Spreadsheet. Estimating an allocation amount may help the LEA plan for the upcoming school year and could help a dual-eligible LEA choose between the SRSA and the RLIS programs. If, for example, a dual-eligible LEA receives a large amount of Title II, Part A and Title IV, Part A funds combined, it is possible the LEA will generate a very small or no SRSA grant award. In this situation, the LEA might opt to

participate in the RLIS program instead of the SRSA program if it believes it would receive a larger RLIS award.

Calculation of an LEA's FY 2019 SRSA Grant Allocation
(Amount Awarded in July 2019) – Example 1

In school year 2017-2018 (FY 2017) an LEA had an ADA of 368.

The LEA received the following FY 2017 Title II, Part and Title IV, Part A funding:

Title II, Part A	\$2,335
Title IV, Part A	+ <u>\$11,003</u>
TOTAL	\$13,338

Calculate the FY 2019 initial amount:

(1) Subtract 50 from the LEA's ADA
 $368 - 50 = 318$

(2) Multiply the new number by \$100
 $318 \times \$100 = \$31,800$

(3) Add \$20,000 to the product of (2)
 $\$31,800 + \$20,000 = \$51,800$

(4) Apply the statutory cap of \$60,000, if necessary
\$51,800 initial amount

Calculate the FY 2019 allocation:

(5) Subtract the total amount of Title II, Part A and Title IV, Part A funding from the initial amount
 $\$51,800 - \$13,338 = \$38,462$

Calculate the final FY 2019 allocation:

(6) Apply the ratable adjustment, if applicable, to the allocation of \$38,462

Calculation of an LEA's FY 2019 SRSA Grant Allocation
(Amount Awarded in July 2019) – Example 2

In school year 2017-2018 (FY 2017) an LEA had an ADA of 586.

The LEA received the following FY 2017 applicable funding:

Title II, Part A	\$18,103
Title IV, Part A	+ <u>\$21,283</u>
TOTAL	\$39,386

Calculate the FY 2019 initial amount:

(1) Subtract 50 from the LEA's ADA
 $586 - 50 = 536$

(2) Multiply the new number by \$100
 $536 \times \$100 = \$53,600$

(3) Add \$20,000 to the product of (2)
 $\$53,600 + \$20,000 = \$73,600$

(4) Apply the statutory cap of \$60,000, if necessary
\$60,000 initial amount (\$73,600 capped at \$60,000)

Calculate the FY 2019 allocation:

(5) Subtract the total amount of applicable funding from the initial amount
 $\$60,000 - \$39,386 = \$20,614$

Calculate the final FY 2019 allocation:

(6) Apply the ratable adjustment, if applicable, to the allocation of \$20,614

Calculation of an LEA's FY 2019 SRSA Grant Allocation
(Amount Awarded in July 2019) – Example 3

In school year 2017-2018 an LEA had an ADA of 32.

The LEA received the following FY 2017 applicable funding:

Title II, Part A	\$3,451
Title IV, Part A	+ <u>\$16,107</u>
TOTAL	\$19,558

Calculate the FY 2019 initial amount:

(1) Subtract 50 from the LEA's ADA
 $32 - 50 = \text{reduced to } 0$

(2) Multiply the new number by \$100
 $0 \times \$100 = \0

(3) Add \$20,000 to the product of (2)
 $\$0 + \$20,000 = \$20,000$

(4) Apply the statutory cap of \$60,000, if necessary
\$20,000 initial amount

Calculate the FY 2019 allocation:

(5) Subtract the total amount of applicable funding from the initial amount
 $\$20,000 - \$19,558 = \$442$

Calculate the final FY 2019 allocation:

(6) Apply the ratable adjustment to the allocation of \$442

Part III-B: Frequently Asked Questions

III-B-1 What is a ratable adjustment?

A ratable adjustment is the amount by which grant awards are increased or decreased depending on the amount of funds Congress appropriates in any fiscal year relative to the amount necessary to award LEAs their full allocations according to the funding formula. If the amount Congress appropriates is not sufficient to provide all eligible LEAs that submit an SRSA application the entire amount they would otherwise receive by formula, the Department ratably reduces the allocation for each LEA. Similarly, the Department would ratably increase LEA allocations if the amount appropriated for SRSA is greater than the amount necessary to provide each LEA with its full allocation.

III-B-2 Does the ratable adjustment apply to all SRSA grant awards?

Yes. The Department applies the ratable adjustment to all SRSA grants regardless of the size of an LEA's allocation. The adjustment is a specific percentage determined each year.

III-B-3 Is an eligible LEA required to apply in order to receive an SRSA grant award?

Yes. An eligible LEA must submit an application in accordance with the application submission procedures in order to receive an SRSA grant award.

III-B-4 If an LEA receives more than \$60,000 in applicable funding for the previous fiscal year (i.e., more than a combined total of \$60,000 in formula grant funds under Title II, Part A and Title IV, Part A), will it receive an SRSA grant award?

No. Under the statutory formula, an eligible LEA that received more than \$60,000 in Title II, Part A and Title IV, Part A funding during the relevant funding period will not receive an SRSA grant award. Because the statutory funding formula caps the "initial amount" at \$60,000, an LEA receiving more than \$60,000 in applicable funding generates a \$0 allocation. In this instance, it is not necessary for the LEA to apply for SRSA funds. However, the LEA could still exercise AFUA given its eligibility for the SRSA program.

For the purposes of the SRSA formula, the Department uses Title II, Part A and Title IV, Part A award amounts for an LEA from appropriations of a preceding Federal fiscal year. For example, for FY 2019 SRSA awards, the Department used FY 2017 LEA award amounts (i.e., awards made out of the Federal FY 2017 appropriation, which SEAs received in July 2017). In order for the Department to accurately calculate SRSA allocations, the SEA is required to provide each eligible LEA's full Title II, Part A and Title IV, Part A award amounts for the relevant fiscal year.

III-B-5 If a dual-eligible LEA submits an application to receive an SRSA award, but the SRSA statutory funding formula results in a \$0 award amount for the LEA, can the LEA subsequently apply for an RLIS award?

If a dual-eligible LEA applies for an SRSA award, but the SRSA statutory funding formula results in a \$0 award amount for the LEA, the Department automatically includes the LEA in the RLIS cohort. That LEA should follow its SEA’s application procedures for RLIS funds.

C. Uses of SRSA Funds

Statutory Citations

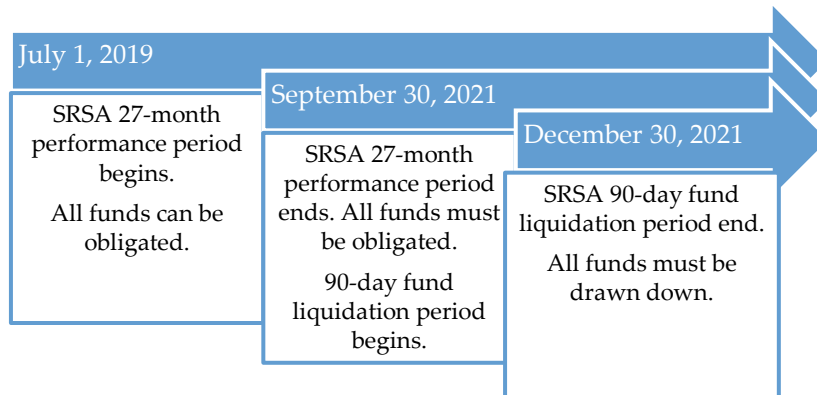
ESEA Sections 5211, 5212, and 5232

Regulatory Requirements

34 C.F.R. Sections 75.707 and 75.261

SRSA Funds Performance Period:

Once SRSA funds are awarded to an LEA, they must be obligated within the 27-month performance period. To obligate SRSA funds within the 27 months, LEAs must make a binding written agreement or receive goods or services (34 C.F.R. § 75.707). Obligated funds must be liquidated within 90 days of the end of the performance period. For example, the performance period for FY 2019 SRSA grants is July 1, 2019 through September 30, 2021 and obligated funds must be liquidated by December 30, 2021. See the example performance period timeline for FY 2019 awards below:



Examples of Allowable SRSA Funds Use:

SRSA funds may be used for any allowable activities under Title I, Part A, Title II, Part A, Title III, Title IV, Part A, and Title IV, Part B of the ESEA. However, the SRSA funds must be used to supplement, and not supplant, any other Federal, State, or local education funds.

Please note the examples provided below for each of these programs is illustrative, not exhaustive. If an LEA or SEA has questions as to whether or not a proposed grant award expense is allowable, it should contact the Department at reap@ed.gov or the Office of State and Grantee Relations (SGR), using the State mailbox that corresponds to the State in which your

organization operates using the format [statename].OESE@ed.gov (for example, Michigan.OESE@ed.gov).

PROGRAM	SRSA	EXAMPLE
Title I, Part A (Improving Basic Programs Operated by LEAs)	✓	High-quality preschool or full day kindergarten to facilitate the transition from early learning to elementary education programs.
Title II, Part A (Supporting Effective Instruction)	✓	High quality professional development to train teachers, principals, and other school leaders about topics such as technology in the classroom, student data privacy, parent and family engagement, academic readiness skills, school policy decision-making, and experiential learning through observation.
Title III (Language Instruction for English Learners and Immigrant Students)	✓	Tutorials and academic or career and technical education and intensified instruction for English learners, which may include materials in a language that the student can understand, interpreters, and translators.
Title IV, Part A (Student Support and Academic Enrichment)	✓	Digital resources for students in rural, remote, and underserved areas.
Title IV, Part B (21st-Century Community Learning Centers)	✓	Academic enrichment learning programs, mentoring programs, and remedial education activities, and tutoring services that are aligned with the challenging academic standards and any local academic standards and local curricula that are designed to improve student academic achievement.

Part III-C: Frequently Asked Questions

III-C-1 What is the obligation period for SRSA funds?

The obligation period – the period during which grantees must make a binding written agreement or receive goods or services (see 34 C.F.R. § 75.707) – for the SRSA grant award is a total of 27 months (the original grant period is 15 months, and the Department provides an additional 12 months under the authority in 34 C.F.R. § 75.261). For example, for FY 2019 awards, the obligation period is July 1, 2019 through September 30, 2021. (See 34 C.F.R. § 75.707 for an explanation of when an obligation occurs for various kinds of property and services.) An LEA must liquidate all SRSA funds not later than 90 calendar

days after the end date of the obligation period, which is the same as the performance period on the GAN.

III-C-2 What should an LEA consider when trying to determine whether a proposed SRSA activity is supplemental?

In general, when considering whether a proposed SRSA activity is supplemental, an LEA should determine whether it would have funded this activity with other Federal, State, or local funds if no SRSA funds were available. If the result of this determination is that no other Federal, State, or local funds are available to fund the proposed activity, then the LEA may be able to use SRSA funds for those activities, provided they are an allowable use of SRSA funds.

There are three situations when it will be presumed that supplanting has occurred:

- if the activity is one that would ordinarily be covered with other Federal, State, or local (for example, in most cases, standard textbook purchases would ordinarily be covered with State or local funds);
- if the LEA previously funded the activity with other Federal, State, or local funds; or
- if the activity is State-mandated or required by Federal law (e.g., provision of certain services to English learners required by Federal civil rights laws).

If a proposed activity falls into one of these categories, it does not mean that the proposed activity is, in fact, supplanting; rather, in these situations, it would be the LEA's obligation to demonstrate that the proposed activity is supplemental. For example, if an LEA can demonstrate that no other Federal, State, or local funds are available to support an activity that normally would be supported with other Federal, State, or local funds, the LEA may be able to demonstrate that using SRSA funds for the activity is supplemental.

Similarly, the LEA may be able to demonstrate that, because its needs have changed, it no longer can support an activity with other Federal, State, or local funds that it supported in the prior year. Again, using SRSA funds for this activity might then be supplemental. The LEA must be able to demonstrate through written, contemporaneous documentation (e.g., State or local legislative action, budget information, school board minutes, or other materials) that it would not be able to fund a particular activity in the absence of SRSA funds.

D. SRSA Performance Reporting

Statutory Citations

ESEA Sections 5224 and 8303

Regulatory Requirements

2 C.F.R. Sections 200.328 and 75.720

The Department annually collects a Consolidated State Performance Report (CSPR) from SEAs, which includes performance data on LEAs, in order to report on program performance measures required under the Government Performance Results Act of 1993 (GPRA).

E. SRSA Monitoring

Regulatory Requirements

EDGAR Part 75 and 2 C.F.R. Part 200

The Department engages in monitoring activities to ensure SRSA grantees are implementing activities authorized in the SRSA statute, achieving the program's performance objectives, and complying with other federal statutory and regulatory requirements. In addition, the Department utilizes monitoring as a mechanism for determining the types of technical assistance needed, understanding the general context in which a grant operates, identifying exemplary practices among grantees, and resolving prior findings from audits or Department monitoring. In determining which grantees to monitor, the REAP program selects participants based on risk factors associated with program compliance, financial requirements, and administrative requirements.

The Department conducts both onsite and desk monitoring. Onsite monitoring is usually a comprehensive examination of the program to assist in improving performance. Onsite monitoring is typically conducted by REAP program staff who visit an LEA, interview LEA staff, and review documentation. A desk review is usually an examination of a specific set of topics by REAP program staff. It may be conducted via videoconference, webinar, or telephone. Regardless of the type of monitoring, Department staff will inform grantees of the topics to be covered and will request documentation in advance.

At the conclusion of onsite or desk monitoring, Department staff will issue a report identifying findings and any areas for corrective action. If corrective actions are identified, the Department will describe what actions are expected and the timeframe by which the corrective action must be resolved. An LEA typically has 30 business days to respond to the Department's monitoring report. Depending on factors such as the severity of the finding, an LEA's resources, and the level of difficulty associated with correcting the finding, an LEA may be asked to resolve the finding within 60 business days or to propose a plan and timeline for resolving the corrective action within another specified time frame. The Department will stay in close contact until all corrective actions are resolved.

F. Alternative Fund Use Authority

Statutory Citations

ESEA Section 5211

An LEA eligible for the SRSA program not only benefits from SRSA grant program funds, but also may exercise a key flexibility provision in the ESEA. Section 5211(a) of the ESEA, known as AFUA, gives an eligible LEA broad authority to spend funds the LEA receives under selected ESEA programs on activities authorized under several additional ESEA programs. The authority is specifically designed to give small, rural LEAs greater latitude to spend their Federal funds in ways that best address an LEA's particular needs. This section explains in greater detail AFUA, including which funds are eligible for AFUA and the allowable uses of those funds.

AFUA is best understood when sections 5211(a) and (c) are read together. Section 5211(c) lists the Federal program funds (referred to as "applicable funding" in the statute) an LEA may use in support of other allowable Federal program activities (referred to as "alternative uses" in section 5211(a)). Specifically, section 5211(c) permits an eligible LEA to use all or part of the formula funds the LEA receives from an SEA under:

Title II, Part A (Supporting Effective Instruction); and
Title IV, Part A (Student Support and Academic Enrichment)

to carry out local activities authorized under one or more of the following programs (see 5211(a)):

Title I, Part A (Improving Basic Programs Operated by LEAs);
Title II, Part A (Supporting Effective Instruction);
Title III (Language Instruction for English Learners and Immigrant Students);
Title IV, Part A (Student Support and Academic Enrichment); and
Title IV, Part B (21st Century Community Learning Centers).

AFUA does not authorize the transfer of funds from one program to another. Rather, it gives an LEA more options for spending its Title II, Part A and Title IV, Part A formula funds.

An LEA that meets the SRSA program eligibility requirements may exercise AFUA without the approval of either its SEA or the Department. However, an eligible LEA must notify its SEA each year of its intent to exercise AFUA by the notification date established by the SEA.

AFUA is meant to provide additional flexibility. An LEA may use all or a part of its formula Title II, Part A and Title IV, Part A funds to carry out activities authorized under one or more of the five programs listed in section 5211(a). LEAs are strongly encouraged to consider how funds used under AFUA can support implementation and strengthening of their local education plans.

Part III-F: Frequently Asked Questions

III-F-1 What is “applicable funding” as referenced in 5211(c)?

“Applicable funding” is the funding available to an LEA to carry out local activities authorized under AFUA in section 5211(a). An LEA’s “applicable funding” is the formula funds the LEA receives under Title II, Part A (Supporting Effective Instruction) and Title IV, Part A (Student Support and Academic Enrichment).

III-F-2 Does an LEA eligible for the SRSA program have to apply to the Department before exercising AFUA?

No. However, the LEA must notify its SEA of its decision to exercise AFUA in accordance with the SEA’s deadline.

III-F-3 Can an LEA exercise AFUA if it chooses not to submit an SRSA application or if its SRSA award amount is \$0?

Yes, an LEA may exercise AFUA if it does not submit an SRSA application or if its award amount is \$0. Any LEA eligible for the SRSA program in a given fiscal year, regardless of whether or not the LEA applies for or receives an SRSA grant, may exercise AFUA as long as the LEA notifies its SEA of its decision.

III-F-4 If a dual-eligible LEA chooses to participate in RLIS instead of SRSA, may the LEA still exercise AFUA?

Yes. Any LEA eligible for the SRSA grant program, including a dual-eligible LEA opting to participate in RLIS, may exercise AFUA as long as the LEA notifies its SEA of its decision.

III-F-5 If an LEA intends to exercise AFUA on its applicable funding, does the LEA still have to meet the relevant application and eligibility requirements to receive the Title II, Part A and Title IV, Part A funds?

Yes. In order to receive its Title II, Part A or Title IV, Part A funds, an LEA must meet the relevant statutory application and eligibility requirements of those titles. For example, in accordance with the Title IV, Part A of the ESEA, to be eligible to receive funds, an LEA must submit an application to its SEA and, depending on the size of the allocation, complete a needs assessment. An LEA must comply with these requirements in order to receive its Title IV, Part A allocation, even if it intends to use its Title IV, Part A allocation for an activity authorized under AFUA (including a Title IV, Part A activity).

An LEA’s exercise of AFUA as to all of its Title II, Part A or Title IV, Part A funds means that, beyond the application and eligibility requirements, as long as the LEA uses the funds for an allowable activity under an authorized title’s program (i.e., Title I, Part A, Title II, Part A, Title III, Title IV, Part A, and Title IV, Part B), the LEA is not subject to the rules or requirements of Title II, Part A or Title IV, Part A (e.g., an LEA using AFUA on its Title IV,

Part A funds would **not** be subject to the Title IV, Part A content area spending requirements in ESEA section 4106 (e)(2)(C)-(E), which require that an LEA that receives a Title IV, Part A allocation of at least \$30,000 to spend at least 20% of the funds on “well-rounded education,” at least 20% of the funds on “safe and healthy students,” and some portion of the funds on “effective use of technology”).

III-F-7 Do Supplement, Not Supplant requirements apply if an LEA is exercising AFUA?

Yes. All activities under the programs listed in section 5211(a) are allowable only to the extent that they are supplemental in nature.

III-F-8 May an LEA use its applicable funding to hire teachers?

Yes. The hiring of teachers is an allowable local activity under several of the programs listed in section 5211(a), but keep in mind that any activity must be supplemental.

III-F-9 May an LEA use its applicable funding to purchase computers, software, or other technology equipment?

Yes. Purchasing computers, software, or other technology equipment is an allowable activity under section 4109(a)(1) of Title IV, Part A. As previously mentioned, any activity must be supplemental.

III-F-10 What are an SEA’s responsibilities with regard to AFUA?

SEAs and State REAP coordinators play an important role regarding AFUA. First and foremost, the SEA assists the Department with determining which LEAs are eligible for the SRSA program and, therefore, which LEAs can exercise AFUA.

In addition, an SEA: (1) notifies LEAs eligible for the SRSA program of the availability of AFUA and disseminates information to LEAs about the provision, (2) establishes a deadline by which LEAs must notify the SEA of their intent to exercise AFUA, and (3) is required to disburse the LEAs’ Title II, Part A and Title IV, Part A funds to LEAs that intend to exercise AFUA at the same time the SEA disburses this same funding to LEAs that do not intend to exercise AFUA.

The SEA also has administrative responsibilities for AFUA provision. The SEA is required to report the number and percentage of SRSA- and dual-eligible LEAs that informed the SEA of an intent to utilize SRSA’s AFUA.

III-F-11 Can an SEA limit an LEA’s ability to exercise AFUA with respect to its Title II, Part A and Title IV, Part A funds?

No. As long as the LEA notifies the SEA of its intent to exercise AFUA in accordance with the SEA’s deadline, the LEA has the authority to exercise the provision when and to what extent it chooses.

III-F-12 By what date might an SEA require LEAs to report their intent to exercise AFUA?

The Department recommends an SEA set a date in late spring of each year for LEAs to notify the SEA of their intent to exercise AFUA. LEAs learn about their eligibility for the SRSA grant program in late winter or early spring. A late spring deadline gives LEAs time to make a determination regarding whether they will exercise AFUA while also ensuring they have notified the SEA before they receive their Title II, Part A and Title IV, Part A funds in July.

III-F-13 If an SRSA-eligible LEA does not receive funds under one of the programs described in 5211(a), may the LEA still use its applicable funding (i.e., Title II, Part A and Title IV, Part A funds) for local activities authorized under the program?

Yes. An LEA may use its applicable funding (i.e., its Title II, Part A and Title IV, Part A funds) for activities authorized under any of the five programs listed in section 5211(a) regardless of whether or not the LEA received any funds under one or more of those programs. For example, an LEA that does not receive Title III funds may, nonetheless, use Title IV, Part A funding for Title III activities.

III-F-14 How is the Alternative Fund Use Authority different from the transferability authority in section 5103 of the ESEA?

See chart in [Appendix C](#) for a specific comparison of AFUA and transferability.

IV. RURAL LOW-INCOME SCHOOL (RLIS) GRANT PROGRAM

A. RLIS Application Requirements

Statutory Citations

ESEA Sections 5221-5223 and 8302

As mentioned in the introduction, RLIS is one of two grant programs authorized under Title V, Part B of the ESEA. In general, the Department awards RLIS funds to SEAs according to a funding formula. SEAs, in turn, make subgrants to eligible LEAs. However, if an SEA chooses not to participate in the RLIS program, the Department makes RLIS awards to SQAs instead of the SEA. An SQA, as defined in section 5221(a)(3)(C) of the ESEA, is an eligible LEA within a State that does not participate in the RLIS program in a fiscal year. That LEA may apply directly to the Department for an RLIS award for that year.

In order to have received RLIS funds, an SEA was required to submit an application to the Department by the fall of 2017, either by submitting a consolidated State application under ESEA section 8302 or an application for RLIS funds under section 5223. The application describes how the SEA will implement the RLIS program in accordance with the statute and applicable regulations. An SEA was required to describe the objectives and outcomes for activities under the RLIS program, how funds will be spent, and, how the SEA will support eligible LEAs in this effort. An SEA with an approved consolidated State plan that included RLIS does not need to submit a new plan each year. However, if an SEA intends to change how it implements RLIS such that the information in the approved consolidated State plan is no longer accurate (e.g., the SEA has changed the manner in which it will use RLIS funds to help all students meet the challenging State academic standards or provide technical assistance to eligible LEAs to help LEAs implement RLIS activities) the SEA must amend its submission. In order to amend its plan, the SEA must submit: a redlined version of the approved consolidated State plan that reflects all proposed changes; a cover letter describing the proposed changes; the signature of the chief State school officer or authorized representative; and a description of how the State provided the public a reasonable opportunity to comment on the plan. A full description of the consolidated State plan amendment process is available at <https://www2.ed.gov/policy/elsec/leg/essa/index.html>. If an SEA has chosen to participate in the RLIS program, its eligible LEAs must follow the SEA's procedures for receiving an award each year. An SEA should share its objectives and outcomes with RLIS-eligible LEAs; so they understand the objectives of the program when they apply.

An SQA is required to submit an RLIS application on an annual basis because its eligibility for the RLIS program may change from year to year. Each year, the Department contacts non-participating SEAs to determine if the SEA will resume its participation in the RLIS program for the coming year. If the SEA chooses not to participate, the Department will notify all RLIS-eligible LEAs in that State how those LEAs can submit an SQA application to the Department. An SQA application must contain the same information as is required in the SEA application.

An SEA or SQA that has an approved State plan or application on file with the Department can expect to receive its RLIS grant award on July 1 of each year.

Part IV-A: Frequently Asked Questions

IV-A-1 When does the Department notify eligible LEAs whether their SEA will participate in the RLIS program?

If an SEA chooses not to participate in the RLIS program, it must notify the Department in the fall so that the Department can notify the SEA's eligible LEAs in early winter. This will afford dual-eligible LEAs the time needed to choose between applying for the SRSA program or applying as an SQA for the RLIS program.

IV-A-2 When does the Department notify SEAs of which LEAs are eligible for an RLIS award?

The Department notifies SEAs of which LEAs are eligible for an RLIS award in late spring each year, after it knows whether dual-eligible LEAs have elected to participate in SRSA or RLIS. An LEA eligible for both REAP programs that does not submit an application for SRSA funds will be included on the list of RLIS-eligible LEAs on the REAP Master Eligibility Spreadsheet that the Department provides to participating SEAs.

B. RLIS Allocations

Statutory Citations

ESEA Sections 5221 and 5234

Congress determines the amount of funds available for REAP on an annual basis. Under section 5234 of the ESEA, the funds are distributed equally between the SRSA and RLIS grant programs. The Department calculates an SEA's RLIS grant allocation using the statutory funding formula described in section 5221(a)(2). The amount of funding each State receives is based on its proportionate share of children in average daily attendance in all RLIS-eligible LEAs, excluding dual-eligible LEAs that select SRSA.

Under section 5221(c) of the ESEA, the Department first reserves one-half of one percent of the amount of RLIS funds Congress appropriates each year for the BIE and an equal amount to be split among the outlying areas of American Samoa, Guam, Commonwealth of the Northern Mariana Islands, and the Virgin Islands. Next, the Department determines which LEAs are eligible for an RLIS subgrant, excluding dual-eligible LEAs that have indicated their choice for SRSA for that fiscal year by submitting an SRSA application to the Department.

Once the list of LEAs eligible to receive an RLIS subgrant (excluding dual-eligible LEAs that chose to participate in SRSA) is generated, the Department calculates the total number of students in average daily attendance (based on the ADA data for each LEA provided by the SEA) across all RLIS LEAs by State and nationwide. The Department then determines each State's proportionate share of the total number of students in average daily attendance in all RLIS LEAs. Finally, the Department calculates each State's award amount by multiplying the total amount of funding available for RLIS awards by the State's proportionate share.

Example Calculation of an SEA's RLIS grant allocation

In school year 2016-2017, a State's total ADA for all RLIS-eligible LEAs (excluding dual-eligible LEAs that chose to participate in SRSA) was 176,000.

In school year 2016-2017, the nationwide ADA for all RLIS-eligible LEAs (excluding dual-eligible LEAs that chose to participate in SRSA) was 3,719,839.

The total amount of RLIS funding available for SEAs and SQAs in FY 2017 was \$87,040,800.

Calculation of final allocation:

- (1) Divide the State's ADA by the nationwide ADA
 $176,000 / 3,719,839 = 0.0473$
- (2) Multiply .0473 by the amount of RLIS funding available for SEAs and SQAs
 $0.0473 \times \$87,040,800 = \$4,118,236$

As mentioned in the RLIS application section, an SEA makes awards to LEAs and, therefore, is responsible for determining how LEA awards will be made. Information about the processes an SEA must follow when making LEA awards is available in section IV. C. [SEA Administration of RLIS](#).

For SQAs, the Department calculates each SQA's award amount based on the number of students in average daily attendance served by the SQA.

C. SEA Administration of RLIS

Statutory Citations

ESEA Sections 5221-5223, 8305-8306, and 8521

Regulatory Requirements

2 C.F.R. Sections 200.328 and 200.331

The SEA is responsible for carrying out administrative duties for the RLIS program. An SEA's administrative responsibilities over the RLIS program are described in various statutory and regulatory provisions. These duties include establishing the process LEAs must follow to receive RLIS funds, determining award amounts and making subgrants, providing technical assistance to eligible LEAs, monitoring LEAs for compliance with applicable Federal requirements, and assessing LEAs' progress toward meeting the SEA's objectives and outcomes for the RLIS program. This section describes in further detail the most significant administrative requirements of the RLIS program.

Section 5222(b) of the ESEA permits an SEA to reserve up to five percent of its allocation under the RLIS program for administrative costs and to provide technical assistance to eligible LEAs. An SEA should use these funds to ensure proper and efficient operation of the RLIS program.

RLIS Subgrant Process

The Department determines which LEAs are eligible for RLIS awards, but SEAs are responsible for subgranting RLIS funds to LEAs. An SEA must establish a process for LEAs to receive RLIS funds. Section 5221(b)(3) of the ESEA authorizes three options an SEA may use to award RLIS funds:

Competition	ADA-Based Statutory Formula	Alternative Formula
<ul style="list-style-type: none">• Award amounts based on competition rules established by SEA	<ul style="list-style-type: none">• Award amounts based on the number of students in average daily attendance served by the eligible LEA	<ul style="list-style-type: none">• Award amounts based on an SEA alternative formula that will allot funds to eligible LEAs in a manner that serves the equal or greater concentrations of children from families with incomes below the poverty line relative to the concentrations that would be served using the ADA-based formula (must be approved by the Department before making awards)

An SEA that awards funds competitively will determine an LEA's subgrant amount based on the rules that the SEA establishes to administer the competition, as well as the budget the LEA requests in its application and any necessary adjustments the SEA must make (e.g., to account for availability of funds).

An SEA that awards funds using the ADA-based statutory formula will determine subgrant amounts based on the LEA's ADA as a proportion of the total ADA in eligible LEAs in the State.

If the SEA chooses to make subgrant awards using an alternative formula, it must submit an alternative formula to the Department for approval before making awards. The SEA can only use an alternative formula if it can demonstrate that it will allot RLIS funds to eligible LEAs in a manner that serves equal or greater concentrations of children from families with incomes below the poverty line relative to the concentrations of such children that would be served if the SEA used a formula based on ADA. The Department encourages an SEA interested in using an alternative formula to communicate with the Department early in the eligibility determination process in order to ensure sufficient time for review of the proposed alternative formula.

Technical Assistance

A portion of the amount of funds an SEA is permitted to reserve at the State level may be used for technical assistance to LEAs. Additionally, section 5223(b)(3) of the ESEA now requires an SEA to describe in its application to the Department how it will provide technical assistance to LEAs to help them implement RLIS activities. The Department encourages SEAs to collaborate with eligible LEAs to best understand the topics that should be covered as part of their technical assistance and the best methods for providing technical assistance.

Monitoring and Oversight

The regulations at 2 C.F.R. § 200.328 and 200.331 establish the oversight and monitoring responsibilities of an SEA as they relate to Federal funds, such as RLIS funds. The SEA is required to monitor LEA activities to ensure (1) the LEA is in compliance with program requirements and commitments made in the LEA's application, as well as other relevant statutes and regulations, and (2) the LEA is meeting the SEA's performance expectations.

An SEA has discretion in determining the manner and frequency of monitoring its LEAs. It should set up a system that takes into account any performance and financial risks of LEAs, the size of RLIS awards, the geographic locations of LEAs, and other factors associated with rural, low-income LEAs. At a minimum, the SEA should monitor LEAs for compliance with: Federal statutes and regulations, applicable State rules and policies, commitments made in an LEA's RLIS application, an LEA's use of RLIS funds, the LEA's performance as it relates to the SEA's objectives and intended outcomes for the RLIS program, and the accuracy of both eligibility and performance data the LEA reports to its SEA.

Part IV-C: Frequently Asked Questions

IV-C-1 Can two or more eligible LEAs submit a joint application to an SEA for an RLIS subgrant?

Yes. Section 8305(e) of the ESEA permits two or more eligible LEAs, a consortium of eligible LEAs, or an ESA on behalf of eligible LEAs to apply for one or more programs covered by the State's consolidated State plan (including RLIS) on a consolidated basis, if each eligible LEA elects to participate in the joint application or chooses to allow the ESA to apply on its behalf.

IV-C-3 How might an LEA estimate the amount of its RLIS subgrant?

An SEA has flexibility in determining how it will make RLIS subgrants. The LEA should contact its SEA for more information on this topic. However, if a State chooses to use the ADA-based statutory formula, because the SEA is limited to a five percent administrative set-aside, the LEA could expect to receive approximately 95 percent of the funds it generates for the SEA's total award from the Department.

IV-C-4 Are the Bureau of Indian Education (BIE) and the outlying areas eligible for RLIS funds?

Yes. The BIE and outlying areas are eligible for RLIS funds. Under section 5221(c) of the ESEA, the Department reserves for the BIE one-half of one percent of the amount of RLIS funds Congress appropriates each year; the Department reserves an equal amount to be divided among the outlying areas of American Samoa, Guam, Commonwealth of the Northern Mariana Islands, and the Virgin Islands.

IV-C-5 Is an eligible LEA guaranteed an RLIS grant award from a participating SEA?

No. As discussed in this section of the document, section 5221(b)(3) of the ESEA gives an SEA three options for making subgrant awards. If the SEA opts to use the ADA-based statutory formula for RLIS awards to SEAs, every eligible LEA that complies with the SEA's application requirements will receive an RLIS subgrant. If the SEA chooses one of the other two options (i.e., a competition or an alternative formula that is approved by the Secretary), the SEA's process may not result in subgrant awards for all eligible LEAs. The LEA should contact its SEA if it has additional questions on this topic.

IV-C-6 Is there a minimum or maximum RLIS subgrant amount?

No. The statute does not establish a minimum or maximum RLIS subgrant amount. However, an SEA is not precluded from establishing a minimum or maximum amount as part of its subgrant procedures if the SEA chooses to make subgrants on a competitive basis or using an alternative formula.

IV-C-7 If a dual-eligible LEA applies for the SRSA program, but the SRSA statutory funding formula results in a \$0 award amount for the LEA, is the LEA subsequently identified for an RLIS award?

Yes. Any dual-eligible LEA whose SRSA award calculates to \$0 will automatically default into the RLIS funding cohort. As the Department prepares to make annual SRSA award allocations, it will identify any dual-eligible LEA that submitted an SRSA application resulting in a \$0 award. The Department will then notify the respective SEA that these LEAs are now included in the RLIS funding cohort.

IV-C-8 May an SEA develop an alternative formula for awarding RLIS subgrants?

Yes. Per section 5221(b)(3)(C), an SEA may use an alternative formula for awarding RLIS subgrants if it can demonstrate to the Secretary that the alternative formula will allot RLIS funds to eligible LEAs in a manner that serves equal or greater concentrations of children from families with incomes below the poverty line that the concentrations of such children that would be served using the ADA-based formula. Because an alternative formula must be approved by the Department, an SEA interested in using an alternative RLIS funding formula for eligible LEAs should contact the Department during the summer before the eligibility determination window opens. It is advantageous to engage with the Department in the summer so that the eligibility determination process is not delayed in a manner that might adversely impact the timing of LEA awards.

IV-C-9 What are the Maintenance of Effort (MOE) requirements that apply to RLIS?

Per section 8521(a), an LEA may receive funds under RLIS for any fiscal year only if the SEA finds that either —

- the combined fiscal effort per student; or
- the aggregate expenditures

of State and local funds with respect to the provision of free public education by the LEA for the preceding fiscal year was not less than 90 percent of the combined fiscal effort per student or aggregate expenditures for the second preceding fiscal year. Per section 8521(b), if an LEA fails to maintain effort by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to the LEA), and also failed to maintain effort in one or more of the five immediately preceding fiscal years, the SEA must reduce the LEA's RLIS allocation in the exact proportion by which the LEA failed to maintain effort.

IV-C-10 Does MOE apply to the SRSA program?

No. The MOE requirement applies to the RLIS, not the SRSA, program.

IV-C-11 Are LEAs required to calculate MOE?

No. LEAs are not required to independently calculate MOE. Rather, an SEA calculates MOE and determines an LEA’s compliance.

D. Example Uses of RLIS Funds

Statutory Citations

ESEA Sections 5222 and 5232

Regulatory Requirements

34 C.F.R. Section 76.707

RLIS funds may be used for any allowable activities under Title I, Part A, Title II, Part A, Title III, and Title IV, Part A of the ESEA, as well as parental involvement activities. However, the RLIS funds must be used to supplement, and not supplant, any other Federal, State, or local education funds.

Please note the examples provided below for each of these programs is illustrative, not exhaustive. If an LEA or SEA has questions as to whether or not a proposed grant award expense is allowable, it should contact the Department at reap@ed.gov or SGR, using the State mailbox that corresponds to the State in which your organization operates using the format [statename].OESE@ed.gov (for example, Michigan.OESE@ed.gov).

Example Allowable uses of RLIS Funds:

REFERENCE	RLIS	EXAMPLE
Title I, Part A (Improving Basic Programs Operated by LEAs)	✓	Activities designed to increase access and prepare students for success in high-quality advanced coursework to earn postsecondary credit while in high school (e.g. Advanced Placement, International Baccalaureate, early college high schools, and dual or concurrent enrollment programs).
Title II, Part A (Supporting Effective Instruction)	✓	Developing or improving evaluation and support systems for teachers, principals, and other school leaders.
Title III (Language Instruction for English Learners and Immigrant Students)	✓	Supplemental professional development for teachers of ELs.
Title IV, Part A (Student Support and Academic Enrichment)	✓	Providing students in rural, remote, and underserved areas with digital resources.
Parental Involvement Activities	✓	Creation of a parental advisory committee to provide input on various education topics.

Part IV-D: Frequently Asked Questions

IV-D-1 What is the obligation period for RLIS funds?

The obligation period for RLIS funds – the period in which grantees and subgrantees must make a binding written agreement or receive goods or services – is 27 months. For example, for FY 2019 awards, the obligation period is July 1, 2019 through September 30, 2021. 34 C.F.R. § 76.707 explains when an obligation occurs for various kinds of property and services. SEAs and LEAs must liquidate all RLIS funds not later than 90 calendar days after the end date of the obligation period.

IV-D-2 What should an LEA consider when trying to determine whether a proposed RLIS activity is supplemental?

In general, when considering whether a proposed RLIS activity is supplemental, an LEA should determine whether it would have funded this activity with other Federal, State, or local funds if no RLIS funds were available. If the result of this determination is that no other Federal, State, or local funds are available to fund the proposed activity, then the LEA may be able to use RLIS funds for those activities, provided they are an allowable use of RLIS funds.

There are three situations when it will be presumed that supplanting has occurred:

- if the activity is one that would ordinarily be covered with other Federal, State, or local funds (for example, in most cases, standard textbook purchases would ordinarily be covered with State or local funds),
- if the LEA previously funded the activity with other Federal, State, or local funds, or
- if the activity is State-mandated or required by Federal law (e.g., provision of certain services to English learners required by Federal civil rights laws).

If a proposed activity falls into one of these categories, it does not mean that the proposed activity is, in fact, supplanting; rather, in these situations, it would be the LEA's obligation to demonstrate that the proposed activity is supplemental. For example, if an LEA can demonstrate that no other Federal, State, or local funds are available to support an activity that normally would be supported with other Federal, State, or local funds, the LEA may be able to demonstrate that using RLIS funds for the activity is supplemental.

Similarly, the LEA may be able to demonstrate that, because its needs have changed, it no longer can support an activity with other Federal, State, or local funds that it supported in the prior year. Again, using RLIS funds for this activity might then be supplemental. The LEA must be able to demonstrate through written, contemporaneous documentation (e.g., State or local legislative action, budget information, school board minutes, or other materials) that it would not be able to fund a particular activity in the absence of RLIS funds.

Any RLIS funds that an SEA reserves under section 5222(b) must also be used to supplement, and not supplant, any other Federal, State, or local education funds. The SEA can use the above considerations to determine if a proposed RLIS activity is supplemental.

E. RLIS Performance Reporting

Statutory Citations

ESEA Sections 5224 and 8303

Regulatory Requirements

2 C.F.R. Section 200.328, 34 C.F.R. Sections 75.720 and 76.720

The Department annually collects a CSPR from SEAs in order to gather information on program performance measures required under GPRA. An SQA reports on its implementation and performance via a separate reporting mechanism established by the Department.

F. RLIS Monitoring

Regulatory Requirements

EDGAR Parts 75 and 76 and 2 C.F.R. Part 200

The Department engages in monitoring activities to ensure RLIS grantees are implementing activities authorized in the RLIS statute, achieving the program's performance objectives, and complying with other statutory and regulatory requirements (e.g., EDGAR Part 76 and 2 C.F.R. Part 200). In addition, monitoring helps the Department determine the types of technical assistance needed, understand the general context in which a grant operates, identify exemplary practices amongst grantees, and resolve prior findings from audits or Department monitoring.

In determining which grantees to monitor, the Department selects participants based on risk factors associated with program compliance, financial requirements, and administrative requirements.

The Department conducts both onsite and desk monitoring. Onsite monitoring is usually a comprehensive examination of the program to assist in improving performance and is typically conducted by Department staff who visit a grantee and one or more subgrantees, interview grantee staff, and review documentation. A desk review is usually an examination of a specific set of topics by Department staff. It may be conducted via videoconference, webinar, or telephone. Regardless of the type of monitoring, Department staff will inform grantees of the topics to be covered and will request documentation in advance.

At the conclusion of onsite or desk monitoring, Department staff will issue a report identifying findings and any areas for corrective action. If corrective actions are identified, the Department will describe what actions are expected and the timeframe by which the corrective action must be resolved. An SEA typically has 30 business days to respond to the Department's monitoring report. Depending on factors such as the severity of the finding, an SEA's resources, and the level of difficulty associated with correcting the finding, an SEA may be asked to resolve the finding within 60 business days or to propose a plan and timeline for resolving the corrective action within another specified time frame. The Department will stay in close contact until all corrective actions are resolved.

APPENDIX A: CONSIDERATIONS FOR LEAs ELIGIBLE FOR BOTH REAP PROGRAMS

The chart below describes, by topic, the major distinctions dual-eligible LEAs should consider when deciding whether to participate in the RLIS program or the SRSA program. The Department strongly encourages dual-eligible LEAs to research the requirements and provisions of both programs before making a final decision.

TOPIC	RLIS	SRSA
Award disbursement	The SEA ⁵ disburses RLIS funds to LEAs.	The Department disburses SRSA funds to LEAs.
Technical assistance (TA)	The SEA provides TA to RLIS grantees.	The Department provides TA to SRSA grantees.
Applying for the grant	An LEA applies for RLIS funds according to its SEA's process.	An LEA applies for SRSA funds according to the Department's application procedures.
Type of funding (competitive vs. formula)	An SEA may award RLIS funds competitively or according to a funding formula (either based on ADA or an alternative formula that meets certain requirements and is approved by the Secretary).	The Department awards SRSA funds according to a funding formula based on ADA.
Obligation period	27-months (e.g., for FY 2019 awards, the obligation period is July 1, 2019 through September 30, 2021; please note that while each SEA will receive its funds on July 1, the SEA may not make subgrants to eligible LEAs until a later date).	27-months (e.g., for FY 2019 awards, the obligation period is July 1, 2019 through September 30, 2021). ⁶
Impact of other Federal funds on grant award amount	If an SEA uses an alternative formula or competition that takes into consideration grants awarded under other Federal programs, then those awards may impact the amount of an LEA's RLIS grant award; if the SEA uses the ADA-based statutory formula to make awards, then grants awarded under	An LEA's grant award is reduced by the amount of Title II, Part A and Title IV, Part A funds the LEA received for a preceding fiscal year. The reduction could result in the funding formula yielding a \$0 allocation for the LEA, in which

⁵ This chart is intended for dual-eligible LEAs in States that participate in the RLIS program. For dual-eligible LEAs in a State that does not participate in the RLIS program (SQAs), the Department, instead of the SEA, will perform all responsibilities referenced as SEA responsibilities.

⁶ An SRSA grantee has 27 months to obligate its award pursuant to 34 C.F.R. § 75.261(a), under which a grantee may extend the performance period of an award one time for a period of up to 12 months without prior approval of the Secretary, provided that the grantee meets the requirements for extension in 2 C.F.R. § 200.308(d)(2).

TOPIC	RLIS	SRSA
	other Federal programs would not impact the amount of an LEA’s RLIS award.	case the Department would not issue an SRSA grant award.
Funding limits	No limit.	The maximum amount of funds an LEA may receive is \$60,000.
Uses of funds ⁷	<p>Grant funds may be used to support any of the following:</p> <ol style="list-style-type: none"> 1. Activities authorized under Title I, Part A (Improving Basic Programs Operated by LEAs); 2. Activities authorized under Title II, Part A (Supporting Effective Instruction); 3. Activities authorized under Title III (Language Instruction for English Learners and Immigrant Students); 4. Activities authorized under Title IV, Part A (Student Support and Academic Enrichment); and 5. Parental involvement activities. 	<p>Grant funds may be used to support any of the following:</p> <ol style="list-style-type: none"> 1. Activities authorized under Title I, Part A (Improving Basic Programs Operated by LEAs); 2. Activities authorized under Title II, Part A (Supporting Effective Instruction); 3. Activities authorized under Title III (Language Instruction for English Learners and Immigrant Students); 4. Activities authorized under Title IV, Part A (Student Support and Academic Enrichment); and 5. Activities authorized under Title IV, Part B (21st Century Community Learning Centers).

⁷ All LEAs eligible for SRSA may exercise [AFUA](#), including dual-eligible LEAs participating in RLIS.

APPENDIX B: SUMMARY OF SIGNIFICANT CHANGES MADE BY ESSA

NCLB	ESSA
<p>Section 6211(a)(1)</p> <p><i>Applicable funding may be used for alternative uses, which are activities authorized under:</i></p> <p>Title I, Part A Title II, Parts A and D Title III Title IV, Parts A and B Title V, Part A</p>	<p>Section 5211(a)(1) - Revised</p> <p><i>Applicable funding may be used for alternative uses, which are activities authorized under:</i></p> <p>Title I, Part A Title II, Part A Title III Title IV, Parts A and B</p>
<p>Section 6211(b)(1)(A)(ii)</p> <p><i>SRSA eligibility:</i></p> <p>Locale codes 7 and 8</p>	<p>Section 5211(b)(1)(A)(ii) - Revised</p> <p><i>SRSA eligibility:</i></p> <p>Locale codes 41, 42, and 43</p>
	<p>Section 5211(b)(1)(C) - New</p> <p><i>SRSA eligibility:</i></p> <p>Specifically authorizes SRSA eligibility for an eligible LEA that is part of an ESA if the ESA does not receive an SRSA award on the LEA's behalf.</p>
<p>Section 6211(c)</p> <p><i>Applicable funding that can be used under AFUA:</i></p> <p>Title II, Part A, Subpart 2 and section 2412(a)(2)(A) Section 4114 Title V, Part A</p>	<p>Section 5211(c) - Revised</p> <p><i>Applicable funding that can be used under AFUA:</i></p> <p>Title II, Part A Title IV, Part A</p>
<p>Section 6212(a)</p> <p><i>Uses of SRSA funds:</i></p> <p>Title I, Part A Title II, Part A and D Title III Title IV, Part A and B Title V, Part A</p>	<p>Section 5212(a) - Revised</p> <p><i>Uses of SRSA funds:</i></p> <p>Title I, Part A Title II, Part A Title III Title IV, Parts A and B</p>
	<p>Section 5212(b)(1)(B) - New</p>

NCLB	ESSA
	<p><i>Special determination of allocation amount:</i> Describes the process the Secretary may use to make an award directly to an LEA that is a member of an ESA.</p>
	<p>Section 5212(b)(2)(B) – New</p> <p><i>Special rule for initial amount and maximum grant award:</i> Adjusts the minimum initial amount used in the LEA funding formula and the maximum LEA award to \$80,000 when the funds made available for the REAP program exceed \$265,000,000.</p>
<p>Section 6212(c) –</p> <p><i>SRSA eligibility:</i> Established that an LEA that was eligible for an SRSA award in a given year was not eligible for an RLIS award in the same year.</p>	<p>Section 5225 – Revised</p> <p><i>Choice of Participation:</i> Requires an LEA eligible for both RLIS and SRSA to choose which program to participate in, such that the LEA may not receive funds under both programs. Requires the LEA to notify the Secretary and the SEA which program the LEA chooses.</p>
<p>Section 6213 –</p> <p><i>Accountability, including determination of continuing participation</i></p>	<p>Deleted</p>
<p>Section 6221(b)(1)(A)(ii)</p> <p><i>RLIS eligibility:</i> Locale codes: 6, 7 and 8</p>	<p>Section 5221(b)(1)(A)(ii) - Revised</p> <p><i>RLIS eligibility:</i> Locale codes: 32, 33, 41, 42, and 43</p>
	<p>Section 5221(b)(1)(B) and 5221(b)(2) – New</p> <p><i>RLIS eligibility:</i> Extends the same alternative rural definition option that exists for SRSA eligibility. An LEA may be considered rural if it demonstrates, and the SEA concurs, that the LEA is located in an area defined as rural by a State governmental agency.</p>

NCLB	ESSA
<p>Section 6222(a)</p> <p><i>RLIS uses of funds:</i> Teacher recruitment and retention Teacher professional development Educational technology Parental involvement activities</p>	<p>Section 5222(a) – Revised</p> <p><i>RLIS uses of funds:</i> Activities authorized under Title I, Part A Activities authorized under Title II, Part A Activities authorized under Title III Activities authorized under Title IV, Part A Parental involvement activities</p>
<p>Section 6223</p> <p><i>RLIS application contents:</i> Required RLIS applications to include information on measurable goals and objectives.</p>	<p>Section 5223 – Revised</p> <p><i>RLIS application contents:</i> Requires RLIS applications to include information on program objectives and outcomes, a description of how the SEA will review applications and make awards if it chooses to make awards competitively, and a description of how the SEA will provide technical assistance to LEAs.</p>
<p>Section 6224</p> <p><i>Accountability:</i> Established reporting requirements for SEAs and SQAs, required that the Department report to Congress, and required SEAs and the Department to make subsequent RLIS awards based on adequate yearly progress.</p>	<p>Section 5224 – Revised</p> <p><i>Report:</i> Continues to require that SEAs and SQAs submit an annual report to the Department, but removes the Congressional reporting requirement and the requirement that SEAs and the Department make subsequent RLIS awards based on adequate yearly progress.</p>

APPENDIX C: AFUA AND TRANSFERABILITY GUIDELINES FOR REAP LEAS

An LEA eligible for SRSA has great flexibility in using the formula grant funds it receives under certain State-administered Federal programs. This flexibility, referred to as AFUA, is similar to the flexibility available to all LEAs—not just SRSA-eligible LEAs—under the transferability provisions in section 5103(b) of the ESEA. Under the transferability authority, all LEAs have the authority to transfer funds from certain ESEA formula grant programs to others. Unlike AFUA, however, an LEA exercising its transferability authority actually transfers the funds from one program’s allocation into another program’s allocation, and those funds become funds of the program to which they are transferred and are subject to all of the rules and requirements of that program.

The chart below compares AFUA and transferability authorities for LEAs. Please note that while the information in the transferability column is correct as applied to all LEAs, not just REAP-eligible LEAs, the information provided is tailored for REAP grantees. Also note that this chart discusses the transferability authority available to LEAs, not the transferability authority available to States.

	AFUA	Transferability
1. Summary	An SRSA-eligible LEA has flexibility in the use of certain Federal formula funds; funds are not actually transferred from one program to another. While the eligible funding may be used for local activities authorized under certain ESEA programs, it is not subject to all of the rules and requirements of those programs.	An LEA may transfer all or a portion of the funds it receives by formula under certain programs to other programs to better address local needs. When an LEA transfers funds, those funds become funds of the program to which they are transferred and are subject to the rules and requirements of the program.
2. Which LEAs can exercise this authority?	<u>LEAs eligible for SRSA.</u> Only LEAs eligible for the SRSA program may exercise AFUA. An LEA need not receive an SRSA grant award to exercise AFUA, but the LEA must meet the statutory eligibility criteria for the SRSA program. For example, an LEA that is eligible for an SRSA award but receives a \$0 allocation may exercise AFUA. For more information about SRSA eligibility, see the SRSA program website: https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-	<u>All LEAs that receive Title II, Part A or Title IV, Part A funds,</u> including both SRSA- and RLIS-eligible LEAs, as well as LEAs that are not eligible for REAP, may transfer funds under the ESEA transferability provision. However, an LEA may only transfer eligible funds into a program for which that LEA receives an allocation in a particular fiscal year. This means that only an LEA that receives REAP funds—either SRSA or RLIS—may transfer funds into its REAP allocation in a particular fiscal year.

	AFUA	Transferability
	programs/rural-education-achievement-program/small-rural-school-achievement-program/eligibility/	
3. Which funds are eligible for this flexibility?	<p><u>Title II, Part A and Title IV, Part A.</u> An SRSA-eligible LEA may use some or all of its Title II, Part A and IV, Part A funds for activities authorized under certain other Federal programs (see Question 4). Please note that in order to receive its funds under Titles II, Part A or IV, Part A, an LEA must meet the relevant application and eligibility requirements, regardless of whether it intends to use the funds for alternative uses under AFUA.</p>	<p><u>Title II, Part A and Title IV, Part A.</u> An LEA may choose to transfer its formula Title II, Part A or Title IV, Part A funds into its allocations under certain other Federal programs (see Question 4). Please note that in order to receive its funds under Titles II, Part A or IV, Part A, an LEA must meet the relevant application and eligibility requirements, regardless of whether it intends to transfer those funds to other program allocations.</p>
4. What requirements apply to how an LEA spends the eligible funds?	<p><u>An LEA must spend the funds on local activities authorized under eligible ESEA programs.</u> An eligible LEA may spend some or all of its formula Title II, Part A or IV, Part A funds on local activities authorized under one or more of these ESEA programs:</p> <ul style="list-style-type: none"> • Part A of Title I; • Part A of Title II; • Title III; and/or • Parts A or B of Title IV. <p>While Title II, Part A or Title IV, Part A funds may be used for local activities authorized under these programs, those funds are not subject to all of the rules and requirements of these programs. For example, these funds would not be subject to the requirement that an LEA receiving \$30,000 or more of Title IV, Part A funds use not less than 20% to support well-rounded education; 20% to support safe and healthy students; and a portion to support the effective use</p>	<p><u>An LEA must treat transferred funds as all other funds allocated under the eligible ESEA program or programs into which the LEA has transferred funds.</u> An LEA may transfer some or all of its formula Title II, Part A or IV, Part A funds into its allocation under one or more of these ESEA programs:</p> <ul style="list-style-type: none"> • Parts A, C, or D of Title I; • Part A of Title II; • Part A of Title III; • Part A of Title IV; and/or • Part B of Title V (SRSA and RLIS). <p>When an LEA transfers funds, those funds become funds of the program to which they are transferred and are subject to all of the rules and requirements of that program. For example, an LEA that receives RLIS funds could transfer all of its Title II, Part A funds into its RLIS allocation. Those funds would then be considered RLIS funds and would be subject to the rules and requirements of the RLIS</p>

	AFUA	Transferability
	<p>of technology (ESEA section 4106(e)(2)(C)-(E)).</p> <p>Additionally, an LEA does not have to receive funds under one of these programs in order to spend its Title II, Part A or IV, Part A funds on an allowable local activity under that program. For example, an LEA exercising AFUA that does not receive funds under Part A of Title I may nonetheless use its formula Title II, Part A or IV, Part A funds for Title I activities.</p>	<p>program. For more information about RLIS allowable activities, see https://oese.ed.gov/offices/office-of-formula-grants/rural-insular-native-achievement-programs/rural-education-achievement-program/.</p> <p>An LEA must receive an allocation in a particular fiscal year in order to transfer its Title II, Part A or IV, Part A funds for that fiscal year into that program. For example, only an LEA that receives REAP funds (Title V, Part B) in a given year may transfer Title II, Part A or Title IV, Part A funds into an SRSA or RLIS allocation for that year.</p>
5. What rules apply to the funds?	<p><u>Eligible funds are not subject to rules and requirements of the programs that authorize the activities for which funds are spent.</u> If an LEA exercises AFUA with respect to its Title II, Part A or IV, Part A funds, those funds may be spent on local activities authorized under the programs listed in Question 4, but those funds are not subject to all of the rules and requirements of those programs. See Question 4 for more information and examples. This means, for example, that an eligible LEA exercising AFUA with respect to its Title IV, Part A funds may use those funds for any allowable activity under Title IV, Part A; it does not need to meet the requirements under Title IV, Part A that certain percentages of Title IV, Part A funds be spent on specific types of activities.</p> <p>When completing financial reports, an LEA must report its Titles II, Part A and IV, Part A</p>	<p><u>Rules and requirements of programs into which funds are transferred apply.</u> The rules and requirements of the programs into which funds are transferred apply to the transferred funds. See Question 4 for more information and examples.</p> <p>When completing financial reports, an LEA must report any transferred funds as expenditures under the programs to which funds are transferred.</p>

	AFUA	Transferability
	funds as expenditures under Title II and IV respectively, even if it exercises AFUA to spend those funds on authorized activities under other programs listed under Question 4.	
6. Does an LEA need to receive funds under a given program in order to spend eligible funds under that program?	<u>No.</u> An eligible LEA does not have to receive funds under a particular program (e.g., Title III) in order to spend its Title II, Part A or IV, Part A funds on an allowable local activity under that program. For example, an LEA exercising AFUA that does not receive funds under Part A of Title I may nonetheless use its formula Title II, Part A or IV, Part A funds for Title I, Part A activities.	<u>Yes.</u> An LEA must receive an allocation in a particular fiscal year in order to transfer its Title II, Part A or IV, Part A funds into that program. For example, only an LEA that receives REAP funds (Title V, Part B) in a particular fiscal year may transfer funds into an SRSA or RLIS allocation in that fiscal year.
7. What are an LEA’s responsibilities for providing equitable services under this authority?	<u>An LEA must provide equitable services under ESEA Title II, Part A and Title IV, Part A, if it receives funds under those programs.</u> Exercising AFUA does not relieve an LEA of its responsibility to provide equitable services for private school students and teachers if it receives Title II, Part A or IV, Part A funds. An LEA exercising AFUA with its Title II, Part A and/or Title IV, Part A funds must reserve for equitable services to private school students and teachers the proportion of its Title II, Part A and IV, Part A funds that is equal to the expenditures (including those under AFUA authority) for the public school program, taking into account the number and educational needs of the children to be served, as required in ESEA section 8501. After timely and meaningful consultation with private school	<u>An LEA must provide equitable services based on the amount of funds the LEA is allocated for each program, after the funds are transferred.</u> An LEA must provide private school students and teachers equitable services under the program(s) to which, and from which, the funds are transferred based on the total amount of funds available to each program after the transfer, if such programs are subject to the equitable services requirements under ESEA section 1117 or 8501. An LEA must engage in timely and meaningful consultation with appropriate private school officials before transferring funds from a program that provides for the participation of private school students and teachers (ESEA section 5103(e)(2)). This consultation must be consistent with the requirements for consultation in ESEA section 8501.

	AFUA	Transferability
	<p>officials (see ESEA section 8501(c)), an LEA exercising AFUA determines how the reserved funds will be expended for the benefit of private school students and teachers. An LEA may exercise AFUA with respect to the reserved funds to use those funds for local activities under the ESEA programs listed in Question 4 for the purposes of providing equitable services for/to private school students and teachers.</p> <p>Funds for private school students and teachers need not be expended under the same programs as funds for public school students and teachers and should meet the needs of the private school students and teachers. For example, an LEA exercising AFUA may use its Titles II, Part A and IV, Part A funds for school improvement activities for public schools under Title I, Part A, but use the Title II, Part A and IV, Part A funds reserved for equitable services for private schools for professional development for private school teachers under Title II, Part A.</p> <p>For more information about equitable services, please see the guidance documents Fiscal Changes and Equitable Services Requirements under the ESEA, as amended by ESSA (issued 2016, section V on Equitable Services) [available at https://www2.ed.gov/policy/elsec/leg/essa/essaguidance160477.pdf] and the Office of Non-Public Education [available at https://www2.ed.gov/about/inits/e</p>	<p>For more information about programs subject to the equitable services requirements, please see Fiscal Changes and Equitable Services Requirements under the ESEA, as amended by ESSA (issued 2016, section V on Equitable Services) [available at https://www2.ed.gov/policy/elsec/leg/essa/essaguidance160477.pdf] and the Office of Non-Public Education [available at https://www2.ed.gov/about/inits/ed/non-public-education/index.html].</p>

	AFUA	Transferability
	d/non-public-education/index.html].	
8. What steps does an eligible LEA need to take to exercise this flexibility?	<p><u>Notify SEA.</u> An SRSA-eligible LEA may exercise AFUA without the approval of either its SEA or the Department. However, before exercising AFUA, under ESEA section 5211(a)(2), an eligible LEA must annually notify its SEA of its intent to do so by the notification deadline established by the SEA.</p>	<p><u>Notify SEA and modify and submit local applications.</u> Before transferring funds, an LEA must conduct timely and meaningful consultation with appropriate private school officials (see Question 7), modify each affected local plan or application to reflect the transfer, notify its SEA of the transfer at least 30 days before the transfer’s effective date, and submit the modified local plan or application to its SEA within 30 days of the transfer. See ESEA section 5103(d)(2).</p> <p>For more information, please see the guidance document <i>Fiscal Changes and Equitable Services Requirements under the ESEA, as amended by ESSA</i> (issued 2016, section VI on Transferability) [available at https://www2.ed.gov/policy/elsec/le/essa/essaguidance160477.pdf].</p>