

**Title VI, Part A, Subpart 2**  
Funding Transferability

## Title VI, Part A, Subpart 2—Funding Transferability

### Purpose

The purpose of this subpart is to allow LEAs the flexibility to—

- target federal funds to federal programs that most effectively address the unique needs of LEAs; and
- transfer federal funds allocated to other activities to allocations for certain activities authorized under Title I.

### Eligibility

#### Question 1: Who is eligible to participate in Funding Transferability?

LEAs that have not been identified for Title I, Part A School Improvement may transfer the use of up to 50 percent of the non-administrative funds allocated to it under—

Title II, Part A, Subpart 2;

Title II, Part D, Subpart 1;

Title IV, Part A, Subpart 1; and/or

Title V, Part A, Subpart 1;

for a fiscal year to allowable uses under one or more of the following programs:

Title I, Part A;

Title II, Part A, Subpart 2;

Title II, Part D, Subpart 1;

Title IV, Part A, Subpart 1; or

Title V, Part A, Subpart.

An LEA that has been identified for Title I, Part A School Improvement may transfer the use of up to 30 percent of its funds from one of the four applicable fund sources to either its allocation for Title I, Part A School Improvement or to any other of the alternative fund sources if such transferred funds are used only for LEA improvement activities consistent with section 1116(c).

An LEA that has been identified for Corrective Action under Title I, Part A School Improvement is not eligible to participate in Funding Transferability.

Note: Funds may be transferred **into** Title I, Part A, but not **from** Title I, Part A.

**Question 2: Does having a campus in Title I, Part A School Improvement affect an LEA's eligibility to participate in Funding Transferability?**

No. A campus's School Improvement status has no effect. It is the LEA's School Improvement status that determines the LEA's eligibility to participate.

### Uses of Funds

**Question 3: How does the LEA implement Funding Transferability?**

The LEA notifies the Texas Education Agency of its intention to implement the flexibility offered through Funding Transferability by submitting the appropriate schedule in either the original Consolidated Application for Federal Funding (NCLB-AA) or through an amendment. Statute requires that the LEA notify the State of its intention to transfer the use of funds through the Funding Transferability at least 30 days before the transfer takes place. Therefore, the **effective date** for the transfer is **30 days after the stamp-in date** of the application or amendment containing this completed schedule.

**Question 4: Are the funds actually transferred from one budget to another?**

No. Funds remain in their original fund source and are reported as expenditures under the original fund source. It is only the **use** of the funds that is redirected. For example, if an LEA uses Funding Transferability to redirect the use of 50% of its Title IV, Part A funds into its Title II, Part A program, the funds are still budgeted and reported under Title IV, Part A, but the allowable uses of those funds are the same as the allowable uses under Title II, Part A.

**Question 5: Which program rules must the LEA follow for the redirected funds?**

Funds transferred under Funding Transferability are subject to each of the rules and requirements applicable to the funds under the provision to which the funds are redirected.

However, if the LEA has private nonprofit schools within its boundaries and it transfers funds from a program that provides for the participation of students, teachers, or other educational personnel from private schools, the LEA must conduct consultations with the private school(s) in accordance with section 9501.