

A photograph of a female teacher with short dark hair and glasses, wearing a white short-sleeved shirt, sitting on the floor and reading a book to a group of young students. The students are also sitting on the floor, looking at the book. The background shows a classroom setting with bookshelves filled with books and blue storage bins.

Title I, Part A Comparability of Services State and Local Expenditure Data

Federal Fiscal Compliance and Reporting Division

Legal Disclaimer

1. This presentation is intended solely to provide general information and guidance to Texas LEAs, ESCs, non-profit subgrantees, and participating Private Schools receiving equitable services. The content in this presentation reflects the Texas Education Agency's current understanding of statute and applicable federal guidance.
2. The content of this presentation is subject to change as a result of future guidance and or other updates provided by federal agencies with regulatory oversight of these programs.
3. This presentation does not constitute legal advice, and entities are, therefore, advised to seek legal counsel regarding the information and guidance provided in this presentation before acting upon the information provided.

Comparability of Services Requirement

- Common issues occurring among LEAs
- Issues identified are not occurring within how LEAs are conducting comparability testing
- Issues are occurring within the data LEAs are using when conducting comparability testing

Common Issue Across All Data

The source of data:

- LEAs should use **current-year** data
- Example, for school year 2024–2025, LEAs should report the 2024–2025 enrollments, state and local budgeted amounts, FTEs, etc.

A photograph of a group of students at a prom, overlaid with a semi-transparent blue filter. The students are dressed in formal attire, including crowns, tiaras, and sashes. Some sashes are visible with text like "MISS COUNTY", "MIDCOM", and "PROM KING". The students are holding bouquets and smiling.

Comparability Testing and State and Local Expenditures

Common Issues: State and Local Expenditures

Common issues when reporting state and local expenditures:

- Not excluding federal funds
- Not excluding supplemental state and local funds
- Not excluding supplemental state and local funds consistently
- Not having auditable documentation to support the reported expenditures

Success Tips: Exclude Federal Funds

- Federal funds must be excluded from state and local expenditures

Success Tips: Exclude Supplemental State and Local Funds

- Public Law 115-64, Section 1118. Fiscal Requirements, (d)“ Exclusion of Funds” states that an LEA “may exclude” supplemental state and local funds
- Exclusion of such funds is not required; however, it creates a more accurate picture
- Expenditures must be excluded consistently across the LEA

Success Tips: Exclude Supplemental State and Local Funds continued.

- Examples of programs expending supplemental state/local funds which may be excluded:
 - Language instruction educational programs, such as bilingual education for emergent bilingual (EL) students
 - Excess state and local costs of providing services to children with disabilities, as determined by the LEA
 - State or local supplemental programs in any school attendance area or school meeting the intent and purposes of Title I, Part A

Success Tips: Exclude Supplemental State and Local Funds Consistently

- Be consistent when excluding supplemental state and local funds
- Exclude the same supplemental dollars from all campuses' total state and local expenditures

Success Tips: Maintain Auditable Documentation to Support Reported Expenditures

- Official budget records are considered auditable documentation.
- Examples:
 - Reports from the LEA's accounting system
 - Exports from the LEA's accounting system
 - Board of Trustees' approved documents

Success Tips: Suggested Methodology

It is recommended that the LEA use official financial accounting system records:

- Obtain the budget reports from accounting system
- Exclude supplemental state and local funds
- Demonstrate calculation used to arrive at new total
- Maintain records per LEA records retention schedule

Questions

Federal Fiscal Compliance and Reporting Division
compliance@tea.texas.gov

Copyright © Notice

The materials are copyrighted © and trademarked ™ as the property of the Texas Education Agency (TEA) and may not be reproduced without the express written permission of TEA, except under the following conditions:

1. Texas public school districts, charter schools, and Education Service Centers may reproduce and use copies of the Materials and Related Materials for the districts' and schools' educational use without obtaining permission from TEA.
2. Residents of the state of Texas may reproduce and use copies of the Materials and Related Materials for individual personal use only without obtaining written permission of TEA.
3. Any portion reproduced must be reproduced in its entirety and remain unedited, unaltered and unchanged in any way.
4. No monetary charge can be made for the reproduced materials or any document containing them; however, a reasonable charge to cover only the cost of reproduction and distribution may be charged.

Private entities or persons located in Texas that are not Texas public school districts, Texas Education Service Centers, or Texas charter schools or any entity, whether public or private, educational or non-educational, located outside the state of Texas MUST obtain written approval from TEA and will be required to enter into a license agreement that may involve the payment of a licensing fee or a royalty.

For information contact: Texas Education Agency, 1701 N. Congress Ave., Austin, TX 78701-1494; email: copyrights@tea.texas.gov.