

Kent County Public Schools 2020

Transferability of Funds



November 12, 2020

Appendix I

TRANSFERABILITY

OVERVIEW

Under the ESEA, LEAs may transfer funds they receive by formula under certain programs to other programs to better address local needs. The ESSA amended the transferability authority by changing the programs from and to which an LEA may transfer funds and removing limits on the amount of funds that may be transferred. This guidance addresses those changes.

Except as provided in this guidance, the *Guidance on the Transferability Authority* [available at www2.ed.gov/programs/transferability/finalsummary04.doc] remains applicable.

TRANSFERS BY LEAs

Updates to programs from which an LEA may transfer funds

Updated Programs from which an LEA May Transfer Funds

Title II, Part A – Supporting effective instruction state grants
Title IV, Part A – Student support and academic enrichment grants
(ESEA section 5103(b)(2).)

An LEA may not transfer funds it receives under any other ESEA program.

Updates to programs to which an LEA may transfer funds

Updated Programs to which an LEA May Transfer Funds

Title I, Part A – Improving basic programs operated by LEAs
Title I, Part C – Education of migratory children
Title I, Part D – Prevention and intervention programs for children and youth who are neglected, delinquent, or at-risk
Title II, Part A – Supporting effective instruction state grants
Title III, Part A – State grants for English language acquisition and language enhancement
Title IV, Part A – Student support and academic enrichment grants
Title V, Part B – Rural education
(ESEA section 5103(b).)

TRANSFERABILITY OF FUND - FREQUENTLY ASKED QUESTIONS

1. *Is there a limit on the amount of funds an LEA may transfer?*

No. An LEA may transfer all or a portion of funds it receives under each of the programs listed under the updated list on page 24.

2. *What are the responsibilities of an LEA for the provision of equitable services to private school children and teachers with respect to funds being transferred?*

Excluding Title I, Part D and Title V, Part B, each program covered by the transferability authority is subject to the equitable services requirements under Title I or VIII, which may not be waived. (ESEA section 8401(c)(5).) Before an LEA may transfer funds from a program subject to equitable services requirements, it must engage in timely and meaningful consultation with appropriate private school officials. (ESEA section 5103(e)(2).) With respect to the transferred funds, the 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.

3. *May an LEA transfer only those funds that is to be used for equitable services to private school students or teachers?*

No. An LEA may *not* transfer funds to a particular program solely to provide equitable services for private school students or teachers. Rather, an LEA, after consulting with appropriate private school officials, must provide equitable services to private school students and teachers based on the rules of each program and the total amount of funds available to each program after a transfer. (See ESEA section 5103(e).)

TRANSFERABILITY OF FUNDS CHART

Local school systems may transfer ESSA funds by completing this page as part of the Local ESSA Consolidated Strategic Plan submission. Receipt of this chart as part of the Local ESSA Consolidated Strategic Plan will serve as the required 30 day notice to MSDE. An LEA may transfer all or a portion of funds it receives under each of the programs listed below. The school system must consult with nonpublic school officials regarding the transfer of funds. In transferring funds, the school system must: (1) deposit funds in the original fund; (2) show as expenditure – line item transfer from one fund to another, and (3) reflect amounts transferred on expenditure reports.

☒ **TRANSFERABILITY OPTION WILL NOT BE UTILIZED**

Total FY 2021 Allocation	Funds Available for Transfer	\$ Amount to be transferred out of each program	Programs to which an LEA May Transfer Funds	\$ Amount to be transferred into the program
\$	Title II, Part A – Supporting effective instruction state grants \$		<input type="checkbox"/> Title I, Part A – Improving basic programs operated by LEAs	
			<input type="checkbox"/> Title I, Part C – Education of migratory children	
			<input type="checkbox"/> Title I, Part D – Prevention and intervention programs for children and youth who are neglected, delinquent, or at-risk	
			<input type="checkbox"/> Title II, Part A – Supporting effective instruction state grants	
			<input type="checkbox"/> Title III, Part A – State grants for English language acquisition and language enhancement	
			<input type="checkbox"/> Title IV, Part A – Student support and academic enrichment grants	
			<input type="checkbox"/> Title V, Part B – Rural education	
			<input type="checkbox"/> Title I, Part A – Improving basic programs operated by LEAs	
			<input type="checkbox"/> Title I, Part C – Education of migratory children	
			<input type="checkbox"/> Title I, Part D – Prevention and intervention programs for children and youth who are neglected, delinquent, or at-risk	
\$	Title IV, Part A – Student support and academic enrichment grants		<input type="checkbox"/> Title II, Part A – Supporting effective instruction state grants	
			<input type="checkbox"/> Title III, Part A – State grants for English language acquisition and language enhancement	
			<input type="checkbox"/> Title IV, Part A – Student support and academic enrichment grants	
			<input type="checkbox"/> Title V, Part B – Rural Education	

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Cover Letter

DRAFT

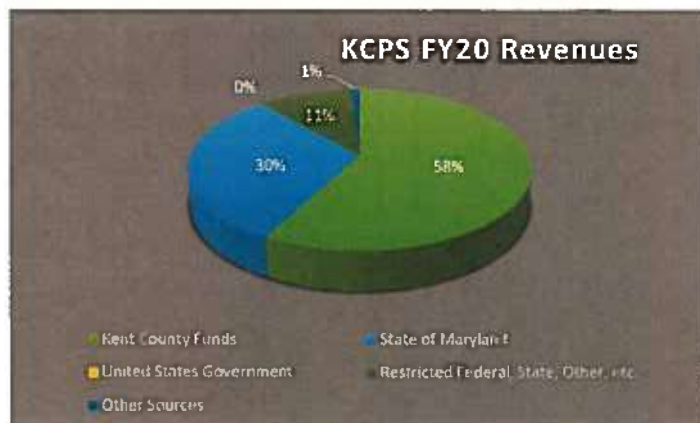
Budget Narrative

Demographic Data

Kent County Public Schools is the smallest school system in Maryland with 1,996 Pre-K-12th grade students that are housed in three elementary schools, one middle school, and one comprehensive high school. Kent County has had a relatively stable county population and, in recent decades, the school system has been impacted by an aging population and lower birth rates.

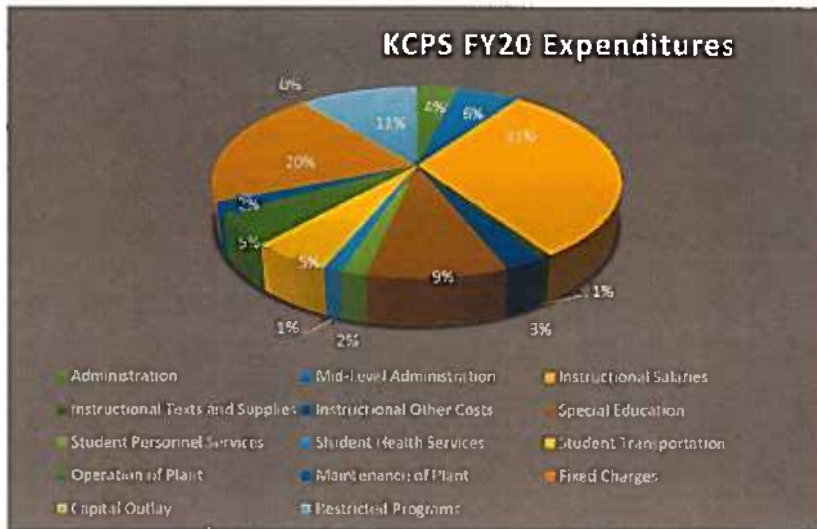
The school system has been faced with challenges that are common for many small, rural school systems. Since 2009, the school system experienced a 12.6% decline in enrollment resulting in the closure of two middle and two elementary schools. By Maryland standards, Kent County is a wealthy county; however, 62% of the students in the school system are living in poverty. The school system is ranked sixth in student poverty with the following student demographic breakdowns; 7% Hispanic, 1% Asian, 25% Black and 67% White. Approximately 13% of the student population are characterized as students with disabilities.

Fiscal Year 2020 Data Analysis



Commented [RL1]: What figures were used to get these percentages? Are these budget figures or actuals from the financial statements?

Commented [RL2]: This chart is good, except the coloring is so close it is really hard to tell which piece of the pie goes with the legend. Is there a way to put the title of the pie segments in the chart? And again are these budget figures or actuals?



Analysis of Fiscal Changes

The diagrams above show KCPS percentage allocations for revenues and expenditures for Fiscal Year 2020. As noted, majority of KCPS revenues are generated from Kent County Local Appropriations which is 58% of the revenue budget. Majority of KCPS expenditures are utilized for Instruction; specifically noting 31% for Instructional Salaries, 9% for Special Education, 11% for Restricted Programs, 20% for Fixed Charges, and 6% for Mid-Level Administration.

KCPS was able to meet the financial expectations for all expenditures incurred for Fiscal Year 2020. To assist with execution of the budget, Fund Balance from Fiscal Year 2019 was used in the amount of \$255,672. KCPS is expecting to use the full Fund Balance increase of \$858,662 from Fiscal Year 2020 for the upcoming Fiscal Year 2021 to sustain potential budget cuts and other losses due to the COVID-19 pandemic.

Achievement of Kent County Public School Goals

Despite the unforeseen circumstances of the COVID-19 pandemic, KCPS has been able to meet all goals specified in the Master Plan. The priority to ensure KCPS encompasses well-educated and qualified teachers, ensures teachers are receiving professional development, having well-equipped classrooms, and utilizing funds to increase technology are still being met.

In Fiscal Year 2020, KCPS was able to purchase Chromebooks to ensure that all students were able to have the technological resources needed to execute their work given a remote learning environment. With the purchase of new Chromebooks, all students were able to have devices to

Commented [RL3]: Should this be 2021 or 2022? Maybe say something like, for any budget cuts in FY2021 that may be forthcoming, and potential loss of revenue in FY2022 due to decreased enrollment and losses due to the COVID-19 pandemic.

Commented [AS4]: I was thinking we could add information about the RH renovations in this area and any other items that shows that we are still on track in meeting our goals.

Commented [RL5]: Is this the right wording? To ensure KCPS attracts well-educated and highly qualified teachers, maybe?

Commented [RL6]: Teachers are receiving effective professional development

use to increase their understanding in learning the subjects needed to continue their growth from K-12. This provided student with accessibility to resources and different nuances of learning.

Fiscal Outlook Going Forward

The fiscal outlook going forward does not look favorable, but KCPS is making preparations to remain on track with all goals and needs for the school system. KCPS is aware that no State Funding will be received to assist with the upcoming Fiscal Year 2022. The increase in Fund Balance for Fiscal Year 2020 will help sustain KCPS budget to ensure that mandatory needs are met for our students and school system overall. KCPS will strategically utilize Restricted Funds received from CARES Funding to ensure the safety and continuity of learning for KCPS students.

Impact of Kent County Public School Operations

Declining Enrollment is a continuing issue for KCPS. Difficult decisions have previously been made to address the issue of Declining Enrollment. One of those difficult decisions included closing two elementary schools, i.e. Worton and Millington Elementary School. Now that COVID-19 occurred unexpectedly, it has made a tremendous impact on KCPS schools in how it operates and executes learning for the students. To date, 68 students have unenrolled from KCPS. This major decrease will impact the funding that KCPS receives from Local Appropriations as this amount is based on per pupil. Major budget adjustments and other decisional factors will have to be made in order for the school system to maintain functionality. Going forward, KCPS is looking to embark upon a hybrid learning module that gives families the choice to bring their child back to school part-time or keep their child at home to continue with remote learning. This major educational change will increase transportation costs as meals will need to be delivered to all students and more routes will need to be generated given the new upcoming school day schedule of A Day and B Day. Custodial costs will increase because it is a must that schools are kept clean and disinfected so that all KCPS students are safely learning in a clean environment.

Commented [RL7]: Maybe mention something about the connectivity challenges of a rural community, having to purchase hot spots so that all children could access the internet? Or mention something about the platforms (schoolology, or whatever it was called) that had to be purchased in order to be able to deliver remote teaching/learning.

Commented [RL8]: Should this say "anticipating no additional State or County funding for Fiscal Year 2022 due to the current economic conditions of both the State and County Government and the uncertain effects of the decrease in enrollment will have on the funding formulas."

Commented [RL9]: Funding formula.

Commented [RL10]: What does this mean?

Commented [RL11]: Should this give some timeframe?

Commented [RL12]: Is this definite the cost will increase or should this say could significantly impact costs associated with...

Commented [RL13]: In order to keep schools clean

Commented [RL14]: Need some kind of closing paragraph.