

## **Race to the Top Budget Guidance**

Rhode Island's Race to the Top (RTTT) budget totals \$75,000,000, of which 50% has been designated for participating Local Education Agencies (LEAs), totaling a \$37,500,000 share.

To ensure sufficient capacity at all levels of the education system, the Rhode Island Department of Education's (RIDE's) State Education Agency (SEA) budget includes approximately \$4 million to supplement participating LEAs for whom the Title I formula may result in insufficient funding to fully implement the RTTT initiatives.

The RTTT budget was prepared using detailed cost estimates for LEA activities and is organized around the following five support systems:

1. Standards and Curriculum
2. Instructional Improvement Systems
3. Educator Effectiveness
4. Human Capital Development
5. School Transformation and Innovation

### **Definitions**

For the purpose of clarity, the following definitions will assist in understanding the RTTT budget:

- **Direct Allocation** – Funding an LEA will receive for reimbursement of costs incurred by the LEA for RTTT approved activities.
- **Set-Aside** – LEA funds designated to support the costs incurred at the SEA for the design, development, and implementation of the five RTTT systems. These funds will be allocated to LEAs, but RIDE will budget the funding and post expenditures for each LEA as funding is drawn down for reimbursements for approved activities.
- **Non-Committed** – Available funds that have not yet been earmarked for specific agreed-upon RTTT activities outlined in the LEA's memorandum of understanding (MOU) and scope of work (SOW). LEAs can request these funds for activities that are related to the RTTT work and aligned to the LEA's gap analysis that is scheduled for the spring of 2011.

### **Competitive Bid**

RTTT is a competitive grant, and LEAs will be reimbursed for only those activities outlined in the grant proposal approved by the U.S. Department of Education (USED). Sub-recipient grant awards will be issued to LEAs based on approved applications that include budgets

with detailed cost estimates. An LEA application will be approved only if it strictly adheres to the conditions of the LEA's approved SOW.

### **Predetermined Costs**

The LEA funding will be used primarily for professional development (PD) to include: replacement costs; school personnel costs for evaluation, induction and intervention; and design and development of the support systems. Replacement costs for substitutes during the school year were estimated at \$100 per day, and stipends for PD during the summer were estimated at \$150 per day per educator. Design and development costs were allocated to LEAs based on their relative shares of Title I, Part A, funding, or by using a flat fee per LEA, school, teacher, or student where appropriate. Cost estimates have been predetermined for each activity. RIDE has established the following budget guidance to assist LEAs in completing their RTTT budgets based on actual costs. Detailed Accelegrant system instructions also will be provided for each system of support.

### **Allocations**

Allocations for direct funding for replacement costs, LEA personnel, and consultants will be provided and updated in accordance with each LEA's SOW. Additional allocations have been provided for those costs that were yet to be determined at the time the SOWs were completed, where appropriate. LEAs also will receive set-aside allocations for their contribution to the design and development of each statewide system of support as appropriate.

### **Non-Committed RTTT Funding**

The Title I, Part A, formula was used to determine the allocation of RTTT funds to each LEA and will allow for some LEAs to receive more funds than the projected amounts needed to implement the RTTT plans. Within the next six months, each LEA, with RIDE, will conduct a gap analysis to determine its readiness for implementing and sustaining each system of support. The additional non-committed RTTT funds will be made available to these LEAs based on the results of the gap analysis to ensure that all remaining RTTT resources are invested in areas that will help LEAs achieve the performance targets and goals set out in the their SOWs. The identified LEAs may budget for the balance of the RTTT funds in reserve, including the non-committed funds, through the budget amendment process for the remaining years of the RTTT grant.

### **Grant Application Budget Process**

Budget submissions, reviews, approvals, and requests for reimbursement will be managed through the Accelegrant process, similar to the CRP process. Total allocations will be specified in the Accelegrant system, but allocations for years one and two will also be

provided. **LEAs will prepare a budget for the specific period of April 1, 2011 through September 30, 2012, for direct funding only for reimbursement of activities provided at the LEA that are aligned to the timelines and sequencing of the initiatives.** The balance of the allocations will be on reserve for years three and four of the RTTT grant.

LEAs will be required to:

1. Submit budget requests using the Accelegrant system in accordance with the attached instructions, which will require a budget for each RTTT system of support. Accelegrant instructions include application screen shots and Uniform Chart of Accounts (UCOA) information.
2. Provide actual replacement costs for substitute teachers. LEAs that have lower replacement costs than the predetermined estimates provided by RIDE may request to use the surplus funds for approved RTTT tasks and initiatives (refer to *Redirection of Savings* section below).
3. Provide professional development stipends or personnel costs for educators attending training sessions that are provided by RIDE or otherwise approved by RIDE.
4. Request funds for contractual services described in the SOW for intermediary service providers for induction, educator evaluation, and intervention services for the persistently lowest-achieving schools. In any case where RIDE procures services on behalf of the LEAs, LEAs would be required to follow local and state procurement laws for other consultants (in accordance with local procurement practices). LEAs may use only contractors approved and made available through the state Master Price Agreement (MPA) using the predetermined pricing.
5. Include a justification in accordance with the Accelegrant budget instructions for all other requests for RTTT activities supported by the redirection of savings or for non-committed funds.

### **Redirection of Savings**

The RTTT Phase II competition limited states the size of Rhode Island to a funding level of \$75 million. Rhode Island reduced the amount of funding requested in its Phase I RTTT application by \$51.6 million, which required RIDE to make strategic budget reductions that would not compromise the integrity of the planned initiatives. For example, rather than training all educators, the training of leadership teams will be offered, and these leadership teams will bring the information back to the LEAs for implementation.

LEAs are encouraged to identify savings strategies, so long as LEAs are carrying out the necessary commitments and technical tasks identified in the LEA SOW and are achieving

the performance targets outlined in the SOW. Some LEAs may achieve savings through economies of scale by delivering services through a consortium, through reducing replacement costs by scheduling training sessions during the summer or after school hours, or identifying that any required PD is already supported by the LEA's current budget.

As noted above, there may be instances where an LEA's actual costs are less than the estimated amount. The following are some examples of acceptable uses for these savings:

- a. Conduct deeper trainings with LEAs to build additional capacity within at the LEA level, in order to sustain the systems of support beyond the RTTT grant period;
- b. Identify and mentor those individuals who need deeper, targeted support to improve student achievement outcomes; or
- c. Develop and establish innovative alternative approaches to learning, such as virtual learning opportunities.

Allowable expenses under this grant generally will be limited to personnel and contractual services. Other forms of expenses, such as equipment and supplies, will not be approved unless directly related to the implementation of a specific RTTT task, such as an alternative delivery of a training session or to accommodate training for audiences with special needs, and such costs will need preapproval from RIDE prior to budget submission. ***RIDE will not approve expenditures of RTTT funds to support current expenditures or budget reductions.***

### **Request for Reimbursement**

Prior to reimbursement, LEAs will be required to have an approved budget for the LEA allocations for each of the RTTT support systems. A budget submission may be partially approved if the entire proposal is in compliance with the SOW and the section(s) to approve is (are) in compliance with the budget instructions and business rules.

Reimbursements will be made via cash request through the Accelegrant process for the deliverables met in a manner that is consistent with other federal grant reimbursement cash requests at RIDE (similar to the SFSF reimbursement process), which includes compliance with ARRA reporting and state and federal monitoring requirements. Funds will be disbursed to LEAs based on actual expenditures, with the exception of design and development funds. Funds for design and development will be set aside for costs incurred during the development of the support systems and will be managed through an internal budgeting process to be handled at RIDE. RIDE will maintain a "RTTT fiscal tracking tool" that monitors how funds are allocated, set aside, budgeted, and spent.

Although managed at the state level, these are LEA funds, and the revenue and expenses need to be accounted for at the LEA's general ledger. Additional guidance on budget entries is forthcoming.

## **Budget Adjustments and Amendments**

For LEAs requesting a budget adjustment and/or modification, the following is required:

- 1) Coordination with RIDE to ensure staff and program capacity;
- 2) Working in partnership with RIDE to validate that the outcomes of the grant are met; and
- 3) Submission of a proposal subject to RIDE and USED approval.

The budget amendment process will be the same process used for the CRP federal grant procedure and will be requested through the Accelegrant system requiring both program and fiscal approval.

An amendment to a previously approved RTTT SOW or budget application is required whenever there is a/an:

- Balance of unapplied RTTT funds appearing in the budget summary;
- Anticipation that the approved RTTT plan, as currently designed, will not be fully implemented as expected, resulting in unexpended funds at the end of the grant period;
- Change in the total amount of available funds that has caused the currently approved budget to exceed the total amount of available funds due to changes in the sequencing and timelines of the RTTT activities;
- Change in the budgeted bottom line;
- Cumulative anticipated change(s) within or among objects of expenditure (budget series) that exceeds 10% of the total approved budget, or over \$100,000.00, whichever amount is less;
- Change in the scope, goals, and/or intent of the currently approved SOW;
- Change in program activities and/or staffing that alters the scope, goals and/or intent of the currently approved SOW; and/or
- Changes that are required to correct any validation error messages that occur because of changes in allocation amounts.

## **Budget Years 3 - 4 Amendments**

Years 3 and 4 will focus on the following activities:

- 1) Revising and strengthening scopes of work based on gap analyses, performance data, and feedback from stakeholders;
- 2) Developing, implementing, and monitoring all RTTT systems of support;

- 3) Implementing a framework for engagement to gather input and feedback from the education field and other stakeholders;
- 4) Sharing with all Rhode Islanders, through use of the RIDE website, reports of progress toward goals for student achievement.

LEAs will receive allocations in April 2013 for year three of the grant for budget preparation for the period October 1, 2013, through September 30, 2014. Year four allocations will be provided the following April for the budget preparation for the final year of the RTTT grant. During the second half of the grant's lifecycle, there will be amendment opportunities available to ensure that available funds are fully budgeted and expended by the end of the grant period.

### **Other ARRA/RTTT Requirements and Guidance**

RTTT funds are part of the American Recovery and Reinvestment Act. As such, all RTTT funds must be spent with an unprecedented level of transparency and accountability. Accordingly, recipients of ARRA funds must maintain accurate, complete, and reliable documentation of all ARRA expenditures. The law contains very specific reporting requirements and requires that detailed information on the uses of funds be available publicly on [www.recovery.gov](http://www.recovery.gov). LEAs are required to adhere to all required reporting requirements.

States have important oversight responsibilities and must monitor activities supported by grants to ensure compliance with all applicable federal requirements. If a sub-grantee fails to comply with the requirements governing these funds, RIDE may, consistent with applicable administrative procedures, take one or more enforcement actions, including the withholding or suspending, in whole or part, funds awarded under the program, or recovering misspent funds following an audit.

LEAs will not use RTTT program funds for: payment of maintenance costs; stadiums or other facilities used for athletic contests or exhibitions or other events for which admission is charged to the general public; purchase or upgrade of vehicles; improvement of stand-alone facilities whose direct purpose is not for the education of children, including central office administration or operations or logistical support facilities; any aquarium, zoo, golf course, or swimming pool; or the provision of financial assistance to students to attend private elementary or secondary schools unless the funds are used to provide special education and related services to children with disabilities as authorized by the Individuals with Disabilities Education Act.