

A DETAILED OVERVIEW *of*

# Federal Education Funding

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# Introduction

Understanding the sources of federal education funding is especially important for effective identification of prospects, tailoring of outreach and marketing messaging. Certain types of federal funding can be used by schools and districts to pay for certain products and services, although administrators and educators aren't always aware of the full range of options. In many cases, schools and districts must request these funds — they aren't automatically provided.

A grasp of different federal funding sources can help you identify ways for your prospects and clients to fund the acquisition of a variety of valuable tools and solutions.

Let's review the major sources of federal funding for educational institutions in the K-12 space to see where each applies and how they differ from each other.





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# Formula Grants

Formula grants are a type of block grant provided by the federal government for a broad range of local- and state-level programs. Block grants, including formula grants, are tied to legislation that define eligible activities for which funds provided by the federal government can be used.

Formula grants are defined by a provision based on a decision rule, U.S. Rep. Adam Smith explained. Their specific structure is intended to provide funding that changes based on measurable and trackable factors. This approach allows for allocations to change based on developments in the areas where the grants are awarded.



## Formula Grants (continued)

One key consideration around block and formula grants are the lack of competitiveness around them. Distribution to state and local programs doesn't lead to a limited number of slots or openings available that would exclude some applicants. Instead, funds are distributed based on the amount allocated to the relevant grant.

For edtech companies, formula grants are something that can be counted on in terms of school funding, at least to a degree. In some cases, however, schools and districts may not apply to receive these grants. In these cases, it's vital to point out a source of funding that can address the costs of the products and services you offer is available, without any major additional costs to your client.



# Title I, Part A

Title I, Part A, as with all of the Title funding types we will review, stems from the Elementary and Secondary Education Act (ESEA) that became law in 1965. This is the largest federal aid program for K-12 education. It is intended as a supplement for state and local funding. Title I, Part A specifically focuses on supporting academic success among children in families with low incomes.

State education agencies (SEAs) distribute funds provided by the federal government to local education agencies (LEAs). Schools with more than 40% of students qualifying as low income can use the money for schoolwide programs, while those below that threshold must apply the funding toward students with low achievement levels specifically.

## Examples of supported program types include:

- ✓ Violence prevention.
- ✓ Housing programs.
- ✓ Vocational and technical education/job training.
- ✓ Nutrition programs.
- ✓ Extra instruction in reading and mathematics.
- ✓ Special education.
- ✓ Preschool, afterschool, summer programs.



# Title II, Part A

## Between Channels (continued)

Title II, Part A emphasizes educator quality — including teachers and principals — by providing funding for recruiting highly qualified staff and offering opportunities for professional development tied to prevention-related services.

The federal formula for distributing funds takes the number of school-aged children in a given state and the percentage that come from families with low incomes into account. SEAs then use similar structures to bring the funds to LEAs.

Title II, Part A funding can go toward professional development that supports students with disabilities or special needs, as well as gifted or talented learners, language learners and general student behavior improvement.





# Title III, Part A

Title III, Part A provides funds that support English Language Learners (ELL) and immigrant students, helping them build proficiency and meet state-level academic standards.

The federal government provides funding to SEAs based on the percentage of ELLs recorded through Census data. Then, SEAs distribute funds to LEAs based on the same principle.

This funding can be used to increase English proficiency and student achievement and improve staff ability to provide such education. This is supplemental funding that can only be applied to English proficiency concerns.

## Examples of acceptable uses of Title III, Part A funds include:

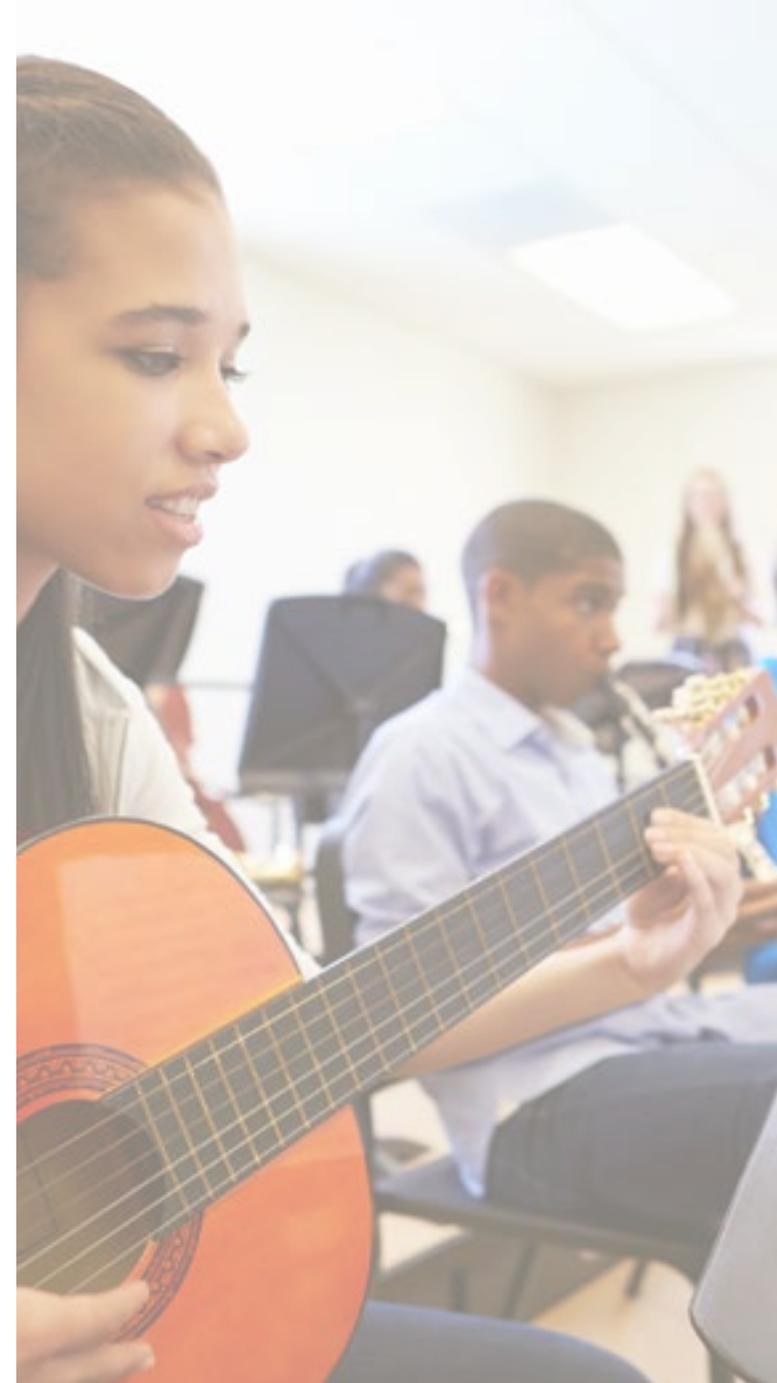
- ✓ Language instruction.
- ✓ Staff professional development.
- ✓ Programs that promote academic achievement.
- ✓ Family and community programs.
- ✓ Instructional materials and technology for ELLs.

# Title IV, Part B

Title IV, Part B is also referred to as the 21st Century Community Learning Centers program. It aims to provide opportunities for academic enrichment that complement traditional learning.

These funds are provided to SEAs that apply for them and work with other relevant state-level agencies, such as a mental health authority, to develop their plans. Awards follow a similar distribution formula as is used for Title I funds. LEAs and community partners that work with them can then apply for grants from SEAs in a competitive process.

Program types that can qualify include summer learning and afterschool, counseling and substance abuse and violence prevention. Youth and character development, technology education, art, music and parent and community outreach are additional examples.





# IDEA Part B

The Individuals with Disabilities Education Act (IDEA) Part B offers funds that support the success of students with disabilities between age 3-21. Students must have an Individualized Education Program to qualify to receive funds. IDEA Part B represents roughly 95% of the act's total funding.

Distribution involves states receiving the same amount of funds each was provided in 1999, the base year established for the program. Additional money, the amount of which changes yearly, is also provided. LEAs receive formula grants and can additionally apply for competitive grants. The funding is intended to be supplementary, and recipients must comply with statutory and regulatory requirements set by IDEA.

**Potential applications include:**

- Consultants, specialists and support services.
- Coordinating early intervening services.
- Instruction.
- Promising practices.
- Family and community engagement.
- Professional development.
- Technology and software.



# The CARES Act



The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a fundamentally different source of federal education funding than IDEA and ESEA Acts. While all three are pieces of federal legislation, the CARES Act is an economic stimulus package

created to address a number of serious problems that arose due to the COVID-19 pandemic. It has defined funding, about \$2.2 trillion, which will eventually expire once the money is all allocated to eligible businesses, organizations and individuals.

Despite the time-limited nature of CARES, it provided a major resource to educators, administrators, districts and schools as they contended with a variety of significant changes to the ways they can safely provide education to students during a pandemic.

# The CARES Act (continued)

Funding for K-12 education provided by CARES totalled about \$13.2 billion, according to Georgetown University thinktank FutureEd. An additional \$14 billion went toward higher education, and another \$4 billion was allocated to state governors to assist districts and institutes of higher education that faced substantial negative impact due to the pandemic.

The money allocated to K-12 education followed a distribution plan based on how Title I, Part A funds are allocated to SEAs. The National Conference of State Legislatures pointed out that SEAs are required to distribute at least 90% of those funds to school districts and public charter schools. The remainder is intended to address emergencies, at the discretion of individual SEAs. Higher education funding, meanwhile, uses a distribution formula based on Pell Grants.





## The CARES Act (continued)

U.S. Rep. Bobby Scott, chair of the House Committee on Education & Labor, issued a statement indicating CARES Act funds provided to schools can be used for a wide variety of needs. Education technology, training for educators related to online learning systems and maintaining access for students with disabilities are likely the most notable for edtech businesses. FutureEd noted that spending on any activities defined and allowed in the ESEA is permissible as well.

Edtech providers can provide a variety of assistance to schools and districts in relation to CARES funding by determining where eligible needs and their own offerings intersect. The most important consideration is that these funds are finite, and it's in the best interests of educational professionals to spend them as needed as opposed to keeping them in reserve.



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# Conclusion

The education market has many elements that come together to influence the way marketers, sales staff and other key stakeholders operate, both in general and specifically when generating and executing successful omnichannel campaigns. From the need to communicate differently with audiences who may work closely together — consider how a campaign aimed at superintendents at the

district level differs from one aimed at individual teachers—to the unique financial structure of many public and private schools as compared to standard businesses, there’s a lot to consider. Understanding how to measure the performance of an omnichannel campaign makes it that much easier to recognize good performance, make positive changes and craft more effective future efforts.





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