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DEPARTMENT OF EDUCATION  
D.T. MAGEE, INTERIM DIRECTOR

To: Title III fund subrecipients

From: Jeff Berger, Deputy Director

Cc: David Tilly  
Byron Darnall  
Jobi Lawrence

Subject: Title III yearly allocations and unused funds

Date: July 12, 2013

This memo is being provided to help clarify some apparent confusion over allocations for Title III federal funds and unused funds from prior allocations. Many of you are concerned about the “carry-over” or “carry-forward” of unused grant allocations from a prior fiscal year.

In the statutory terminology used by the US Department of Education, federal Title III does not have a formal carry-forward provision. As an example, Title I does have formal carry-forward. In the case of Title I, districts can elect to carry-forward up to 15% of funds annually, but they have to submit and have approved budgets that require the spending of that carry-forward in the next fiscal year. This is all a very structured process that ensures that no carry-forward exists for more than one year.

In the case of Title III funds, different terminology is used. We are really talking about “unused grant allocations from the prior year”. Since this is not a formal provision in the federal law, this action to allow you to add unused funds from the prior fiscal year to the new grant allocation is entirely discretionary on the part of the Iowa Department of Education.

A year ago, I directed program staff to stop writing grants for a period of 18 months and to instead issue 12 month allocations that aligned to the state fiscal year. This action fixed a problem I was having related to paying prior fiscal year claims after the “hold-open” period for payments was completed. The intent with this change was to continue operating as we had – just with different budgeting procedures. If there were unused grant funds from the prior fiscal year, we could add those funds to the next allocation if everyone agreed that is what should be done.

This did not mean “use it or lose it”. We’ve never said that. In fact, we will continue to provide grantees the opportunity to request that unused grant funds from a prior year be added to the next year’s allocation.

We’ve heard from some grantees that they want to access unused portions of grant allocations going back as far as 2007. Unfortunately, this isn’t possible. In practice, there is no way there can be carry-forward from that period. You would have spent oldest to newest, so any carry-forward would have been spent first in the next fiscal year.

We will entertain requests to add any unused allocation amounts from the current Fiscal Year to the next fiscal year if they meet the provisions for proper justification as determined by the Department. For example: Unused FY13 to the FY 14 grant allocations. To process a request, please direct your Title III contact to work directly with Jobi Lawrence at [jobi.lawrence@iowa.gov](mailto:jobi.lawrence@iowa.gov) or (515) 281-3805. The Department will analyze requests for adding any unused funds from the current fiscal year to the next fiscal year and issue your new FY allocation amounts.

I hope this helped clarify the issue. If you have further questions related to this process, please contact me directly at [Jeff.berger@iowa.gov](mailto:Jeff.berger@iowa.gov) or (515) 281-3968