April 3, 2017

Dear Local Educational Agency:

In December 2015, Public Law 114-95, the Every Student Succeeds Act (ESSA), which reauthorized the Elementary and Secondary Education Act of 1965 (ESEA) was signed into law. The ESSA contains new provisions that allow Local Educational Agencies (LEAs) to be eligible for both Small, Rural School Achievement (SRSA) and Rural and Low-Income School (RLIS) grants, and to choose which grant to receive. In addition, LEAs that received an SRSA award in fiscal year (FY) 2015, but are no longer SRSA-eligible because of amendments the ESSA made to the locale code designations referenced in section 5212(b)(4), may continue to receive FY 2017, 2018, and 2019 SRSA awards at a reduced rate under the hold harmless provision. Each of these topics is detailed below.

FY 2017 Eligibility
On or about April 3, 2017, the U.S. Department of Education (ED) will post to the REAP webpage (http://www2.ed.gov/programs/reapsrsa/eligibility.html) a spreadsheet that identifies LEAs eligible to apply for FY 2017 REAP awards. The spreadsheet identifies: (1) LEAs eligible for SRSA, (2) LEAs eligible for RLIS, (3) LEAs eligible for both SRSA and RLIS, and (4) LEAs no longer eligible for SRSA, but are able to receive an award under the hold harmless provision in section 5212(b)(4) of the statute.

SRSA Award Estimate
Because SRSA is a supplemental formula grant, the REAP statute identifies a specific formula to determine how much each SRSA-eligible LEA is entitled to receive. This formula takes into account an LEA’s average daily attendance (ADA), and the amount the LEA received in prior years from the Title II, Part A program and the Title IV, Part A program. By law, the most an LEA can receive under SRSA is $60,000. However, depending on an LEA’s reported ADA and Title program funds received, the formula award calculation may yield an allocation amount of $0, in which case an award will not be made. Therefore, we encourage any LEA interested in receiving the SRSA supplemental grant to calculate approximately how much (if any) SRSA funding it might receive prior to submitting an SRSA application.

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1 SRSA grant amounts are based on a statutory formula that takes into account several factors, including the amount of funds an LEA received during the preceding fiscal year under the Title II, Part A program and the newly authorized Title IV, Part A (Student Support and Academic Enrichment program). The first awards for Title IV, Part A will be made with FY 2017 funds. Therefore, for purposes of calculating SRSA grant awards, the Department will not take into consideration Title IV, Part A funds until the FY 2018 grant cycle.

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The Department of Education’s mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.
Calculating the SRSA Grant Award Amount
ED calculates, for each LEA that is eligible and has submitted an application for the SRSA grant, in accordance with the application procedures, an initial amount that is equal to $20,000 plus $100 for each child in average daily attendance above 50. If this calculation results in a number greater than $60,000, the LEA’s initial amount is reduced to $60,000 (the maximum allowable award). The final amount an LEA receives is equal to the initial amount, minus the total amount of funding the LEA received during the preceding fiscal year under the Title II, Part A program and the Title IV, Part A program. See Attachment A for two examples of the funding formula.

The actual size of an LEA’s award depends on several factors including: the amount of funds Congress appropriates for the SRSA grant program, the number of LEAs that are eligible and apply for SRSA funds, the LEA’s ADA for the preceding year, the LEA’s Title II, Part A and Title IV, Part A award amounts for the preceding fiscal year, and the ratable adjustment. The Department expects more fluctuation in these factors during FY 2017 than prior years. It also anticipates this fluctuation to decrease with each new fiscal year. Therefore, unless an LEA’s Title II, Part A and Title IV, Part A award amounts combined are greater than $60,000, we encourage the LEA to submit an SRSA application if it wishes to receive funds regardless of the approximate award amount it has estimated.

Furthermore, any LEA eligible for the SRSA program in a given fiscal year, regardless of whether the LEA submits an application or not, may exercise the REAP Alternative Fund Use authority\(^2\) if it notifies the SEA of its decision in accordance with the SEA’s deadline.

Application Process
Beginning in FY 2017, eligible LEAs must submit an SRSA application through Grants.gov in order to receive SRSA formula grant funds, regardless of whether the LEA received an award in prior years. An LEA that submits an invalid application may receive an SRSA grant only to the extent funds become available after awards are made to all eligible LEAs that complied with the application procedures. The SRSA application window will open in early May 2017 and remain open for 60 days. For specific dates and more information about the SRSA application process, please monitor the REAP webpage or the Federal Register to view the application notice of deadline, upon publication. Once the notice of deadline is published, applicants can access the application package via Grants.gov and via the REAP webpage. These documents together describe the contents of the application and the process for applying.

Dual-Eligible LEAs
An LEA that is eligible for both SRSA and RLIS (referred to as “dual-eligible” LEAs) must choose to participate in either SRSA or RLIS, and then notify ED of its decision. If an LEA

\(^2\) The alternative fund use authority provides flexibility to SRSA-eligible LEAs to use Title II, Part A and Title IV, Part A formula funds to support local activities under an array of Federal programs in order to assist them in addressing local academic needs more effectively. (See Section 5211(a) of the ESEA, as amended, for more information.) An SRSA-eligible LEA does not have to apply for SRSA funds in order to exercise the alternative fund use authority. An LEA that is eligible for both SRSA and RLIS may exercise the alternative fund use authority even if the LEA chooses to participate in RLIS instead of SRSA. Regardless of which program the LEA chooses, the LEA must notify its SEA on an annual basis on or before the notification deadline established by the SEA of its intent to exercise the alternative fund use authority. LEAs should reach out to their SEA contact for more information about the SEA’s reporting requirements deadline.
submits an SRSA application, the application serves as confirmation to ED the LEA has chosen to participate in SRSA, rather than RLIS. A dual-eligible LEA that applies for SRSA in accordance with the application submission procedures will receive an FY 2017 SRSA grant award (as long as the statutory funding formula described above does not result in an LEA award of $0).

A dual-eligible LEA that chooses not to submit an SRSA application will be included automatically in the list of RLIS-eligible LEAs ED provides to SEAs.

PLEASE NOTE: SEAs are authorized to award RLIS grants either using a funding formula, or on a competitive basis. Therefore, ED cannot guarantee a dual-eligible LEA that chooses to participate in RLIS will receive an RLIS award. For more information about your State’s procedures for awarding RLIS funds, please reach out to the REAP contact at your SEA.

While ED cannot advise an LEA regarding which program to choose, we have developed a table that compares the SRSA and RLIS grants (see Attachment B). Each LEA, after familiarizing itself with the requirements and provisions for both grants, should make a decision for which grant it would like to receive.

**Hold Harmless LEAs**
Section 5212(b)(4) of the ESEA authorizes a hold harmless for LEAs that received an FY 2015 SRSA award, but are no longer eligible for the SRSA program because of revisions to the REAP locale code methodology implemented with the enactment of ESSA, as referenced in section 5211(b)(1)(A)(ii). While these LEAs are no longer considered eligible for the SRSA program, they may continue to receive a reduced SRSA allocation for each year the provision applies (FY 2017, 2018, and 2019).

The purpose of the hold harmless provision is to gradually reduce an LEA’s award amount so the LEA has time to mitigate any negative effects resulting from its change in eligibility status. LEAs authorized to receive an award under the hold harmless provision must submit an SRSA application for each year the provision applies in order to receive an award.

LEAs that are no longer eligible for the SRSA program for other reasons (e.g., ADA is 600 students or greater) may not receive an award under the hold harmless provision. Similarly, RLIS LEAs that are no longer eligible for the RLIS program may not receive an award under the hold harmless provision.

**Technical Assistance**
ED will be conducting webinars in April 2017 for eligible SRSA LEAs. The purpose of these webinars will be to provide an overview of the SRSA application process. An invitation to the webinars will be posted on the REAP website and sent via email to current SRSA grantees and SEA REAP coordinators in early April 2017.

For additional information about the RLIS and SRSA formula grants, please visit the REAP website: [http://www2.ed.gov/programs/reapsrsa/index.html](http://www2.ed.gov/programs/reapsrsa/index.html)
If you have questions, please contact the REAP Office via email at REAP@ed.gov

Sincerely,

[Signature]

David Cantrell, Ph.D.
Group Leader
Rural Education Achievement Program:
Small, Rural School Achievement and Rural, Low Income School

Attachments (2)
Attachment A
Calculation of an LEA’s SRSA Grant Allocation – Example 1

An LEA has an ADA of 368 and also received $2,335 in Title II, Part A funding during the previous year.

Calculate the initial amount:

(1) Subtract 50 from the LEA’s ADA
   368 - 50 = 318

(2) Multiply the new number by $100
   318 x $100 = $31,800

(3) Add $20,000 to the product of (2)
   $31,800 + $20,000 = $51,800

(4) Apply the statutory cap of $60,000, if necessary
   $51,800 initial amount

Calculate the estimated final allocation amount:

(5) Subtract the total amount of Title II, Part A funding from the initial amount
   $51,800 - $2,335 = $49,465 (estimated SRSA allocation)

Calculation of an LEA’s SRSA Grant Allocation – Example 2

An LEA had an ADA of 586 and it also received $18,103 in Title II, Part A funding during the previous year.

Calculate the initial amount:

(1) Subtract 50 from the LEA’s ADA
   586 - 50 = 536

(2) Multiply the new number by $100
   536 x $100 = $53,600

(3) Add $20,000 to the product of (2)
   $53,600 + $20,000 = $73,600

(4) Apply the statutory cap of $60,000, if necessary
   $60,000 initial amount ($73,600 capped at $60,000)

Calculate the estimated final allocation amount:

(5) Subtract the total amount of Title II, Part A funding from the initial amount
   $60,000 - $18,103 = $41,897

Note: The estimated SRSA allocation scenarios outlined above do not include the ratable adjustment, and are provided for illustrative purposes only.
Attachment B

RLIS and SRSA Considerations for Dual Eligible LEAs

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>RLIS</th>
<th>SRSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative Fund Use Authority</td>
<td>Dual-eligible LEAs may participate</td>
<td>All eligible LEAs may participate</td>
</tr>
<tr>
<td>Award disbursement</td>
<td>State Educational Agencies (SEAs) disburse RLIS funds to LEAs</td>
<td>U.S. Department of Education (ED) disburse SRSA funds to LEAs</td>
</tr>
<tr>
<td>Technical assistance (TA)</td>
<td>SEAs provide TA to RLIS grantees</td>
<td>ED provided technical assistance to SRSA grantees</td>
</tr>
<tr>
<td>Applying for the grant</td>
<td>LEAs apply for RLIS funds according to their SEA’s application procedures</td>
<td>LEAs apply for SRSA funds according to ED’s application procedures.</td>
</tr>
<tr>
<td>Type of funding</td>
<td>SEAs may award RLIS funds competitively or according to a funding formula</td>
<td>ED awards SRSA funds according to a funding formula</td>
</tr>
<tr>
<td>(competitive vs. formula)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligation period</td>
<td>27-months (e.g., for FY 2017 awards, the obligation period will be July 1, 2017 through September 30, 2019)</td>
<td>15-months (e.g., for FY 2017 awards, the obligation period will be July 1, 2017 through September 30, 2018)</td>
</tr>
<tr>
<td>Impact of other federal funds on grant awards</td>
<td>LEA grant awards are based on the SEA’s procedures for awarding RLIS funds; therefore, grants awarded under other Title programs may or may not impact the amount of an LEA’s RLIS grant award.</td>
<td>LEA grant awards are reduced by the amount of Title II-A and Title IV-A funds the LEA received in the preceding fiscal year.</td>
</tr>
<tr>
<td>Funding limits</td>
<td>Federal statute does not set a limit on the amount of funds an LEA may receive each grant period.</td>
<td>The maximum amount of funds an LEA may receive, by statute, is $60,000.</td>
</tr>
<tr>
<td>Uses of funds</td>
<td>Grant funds may be used to support any of the following: 1. Title I, Part A (Improving Basic Programs Operated by Local Education Agencies) activities; 2. Title II, Part A (Supporting Effective Instruction) activities; 3. Title III (Language Instruction for English Learners and Immigrant Students) activities; 4. Title IV, Part A (Student Support and Academic Enrichment Grants) activities; and 5. Parental involvement activities.</td>
<td>Grant funds may be used to support activities authorized under any of the following ESSA programs: 1. Title I, Part A (Improving Basic Programs Operated by Local Education Agencies); 2. Title II, Part A (Supporting Effective Instruction) activities; 3. Title III (Language Instruction for English Learners and Immigrant Students) activities; 4. Title IV, Part A (Student Support and Academic Enrichment Grants) activities; and 5. Title IV, Part B (21st Century Community Learning Centers).</td>
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</tbody>
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