United States Department of Education
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

January 21, 2026

Dear Colleague:

The Department of Education's goal is to improve academic achievement, particularly by strengthening literacy and numeracy instruction, empowering family decision-making, and returning education to the States. The Department encourages States, districts, and schools to innovate in the delivery of Federal programs as a critical step to achieving those objectives.

In this letter, I want to highlight an existing flexibility in the Elementary and Secondary Education Act of 1965, as amended (ESEA) that supports local education leaders as they decide how best to use Federal funds to serve students and raise academic achievement. This flexibility also reduces the burden and compliance costs associated with implementing Federal programs.

In prior letters, the Department highlighted certain flexibilities and the waiver process within ESEA, as well as the Educational Flexibility Program that the *Education Flexibility Partnership Act of 1999* (P.L. 106-25) created.[1] This letter builds on this previous guidance and provides information about how schools may consolidate funds in a Title I, Part A (Title I) schoolwide program under ESEA section 1114.[2]

Under a Title I schoolwide program, schools have broad flexibility to integrate services from multiple funding sources into a comprehensive instructional framework, enabling systemic improvements that better serve all students and boost academic achievement.

For a school to participate in a schoolwide program, the statute requires either that the school serves an eligible school attendance area in which at least 40 percent of the children are from low-income families, or that at least 40 percent of children in the school come from low-income families. The statute further authorizes a State to waive that threshold to enable a school served

[1] Prior guidance from the Office of Elementary and Secondary Education may be found here: https://www.ed.gov/laws-and-policy/laws-preschool-grade-12-education/birth-grade-12-policy-documents/every-student-succeeds-act-essa-guidance.
[2] You may find the Department's non-regulatory guidance on schoolwide programs here: https://www.ed.gov/media/document/non-regulatory-guidance-supporting-school-reform-leveraging-federal-funds-schoolwide-program-55402.pdf.

under Title I (Title I school) with a lower poverty rate to operate a Title I schoolwide program if doing so will best serve the needs of the students in the school (ESEA section 1114(a)(1)(B)).

To encourage this approach and better leverage all available funding, a school operating a schoolwide program may consolidate funds from Title I and other Federal education programs with State and local funds[3] (ESEA section 1114(a)(1) and (3)). The ESEA requires that all consolidated funds and services must support the schoolwide plan (ESEA section 1114(a)(1) and 34 C.F.R. § 200.29(a)). Also, schools that operate schoolwide programs must address the needs of all students, particularly the needs of the lowest-achieving students who are members of the target population of any program that the school includes in the schoolwide program.[4]

Helpfully, when a school consolidates funds in a schoolwide program, the school may use the funds to support *any* activity of the schoolwide program without regard to where those funds originated. Specifically, a school does not need to meet most of the statutory and regulatory requirements of the specific Federal programs included in the consolidation (e.g. program-specific supplement not supplant requirements other than that of Title I), provided it meets the intent and purposes of those programs. Nor does a school need to maintain separate fiscal accounting records by Federal program for consolidated funds, though it must maintain records that demonstrate the schoolwide program addresses the intent and purposes of each of the Federal programs whose funds were consolidated (ESEA section 1114(a)(3) and 34 C.F.R. § 200.29(b)).

While most Title I schools operate a schoolwide program (86 percent in the 2022-23 school year[5]), far fewer schools consolidate Title I or other Federal funds with State and local funds. In the Department's most recent study of the Title I schoolwide and targeted assistance programs, only 6 percent of Title I schoolwide programs in the 2015-2016 school year (when 77 percent of Title I schools operated a schoolwide program) consolidated Title I funds with other Federal, State, or local funds.[6]

When school district administrators participating in the study discussed challenges to consolidation, they identified State accounting rules that required separate accounting for Federal programs as the greatest challenge. More specifically, the study reported the most common challenges to consolidating Title I funds with funds from other sources as:

- State accounting rules that separate accounting for Federal program funds (47 percent);

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[3] Certain conditions apply to consolidating funds from Title I-C (Migrant Education) and Title VI (Indian Education) of the ESEA and the *Individuals with Disabilities Education Act* (IDEA). See questions E-9 and E-10 in the Department's 2008 Title I fiscal guidance. *Available at:* https://www.ed.gov/sites/ed/files/2023/12/Title-I-fiscal-issues-2008.pdf.

[4] U.S. Department of Education. "Title I—Improving the Academic Achievement of the Disadvantaged; Final Rule." Federal Register, vol. 69, no. 127, 2 July 2004, pp. 40360–40385. https://www.govinfo.gov/content/pkg/FR-2004-07-02/pdf/04-15121.pdf

[5] U.S. Department of Education. (2023). Title I, Part A participation data: 2021–2022 school year, Title I Part A Schoolwide Programs (SWP) and Targeted Assistance (TAS) Program Participation. ED Data Express.

[6] U.S. Department of Education. Office of Planning, Evaluation and Policy Development, Policy and Program Studies Service. *Study of Title I Schoolwide and Targeted Assistance Programs: Final Report.* Washington, DC, 2018. Page 59. Available at: https://www.ed.gov/sites/ed/files/rschstat/eval/title-i/schoolwide-program/report.pdf

- Lack of information about how to consolidate funds (37 percent);
- Concern about potential audit exceptions (37 percent);
- District accounting rules requiring separate accounting for different funding sources (36 percent); and
- The need for more training and understanding about program (35 percent) and finance issues (33 percent).[7]

To assist schools and districts, the law requires States receiving Title I grants to eliminate or modify fiscal accounting requirements to facilitate the ability of schools to consolidate funds under schoolwide programs (ESEA sections 1111(g)(2)(E) and 1603(a)(1)(C)).

States and districts have flexibility with respect to the method of consolidating funds, including consolidating program funds while maintaining separate accounts. For examples, see E-3 of the Department's 2008 Title I fiscal guidance.[8] Please note that in one example a school district creates a single account code for its consolidated pool of funds. In another example, however, the school district maintains separate accounts for each program yet still receives the same benefits of consolidation as the school district that created the consolidated account code.

Schoolwide programs, combined with the ability to consolidate funds to support them, are a powerful tool for local decisionmakers to maximize their flexibility in using Federal funds and non-Federal funds to better serve students and improve academic achievement.

Our team stands ready to support States, districts, and schools to take full advantage of this flexibility to realize the benefits of consolidating funds in a Title I schoolwide program. If you have further questions or seek technical assistance in implementing a schoolwide program, please contact OESE.titlei-a@ed.gov.

Sincerely,



Kirsten Baesler
Assistant Secretary of Education
Office of Elementary and Secondary Education

Please note that this document is non-binding and subject to revision or revocation at any time without prior notice. This document describes statutory and regulatory provisions, but to the extent

[7] U.S. Department of Education. Office of Planning, Evaluation and Policy Development, Policy and Program Studies Service. *Study of Title I Schoolwide and Targeted Assistance Programs: Final Report.* Washington, DC, 2018. Page 61. *Available at:* https://www.ed.gov/sites/ed/files/rschstat/eval/title-i/schoolwide-program/report.pdf
[8] U.S. Department of Education. (2023, December). Title I fiscal issues: Non-regulatory guidance (Originally issued February 2008). *Available at:* https://www.ed.gov/sites/ed/files/2023/12/Title-I-fiscal-issues-2008.pdf

that any conflict exists between this document and those provisions, the text of such statutes or regulations is controlling.