

# Braiding ESEA Funds

## What the Federal Law, Regulations, and Guidance Says

Braiding funds under the Elementary and Secondary Education Act (ESEA) is allowable when each funding source supports activities that are permissible under its own program requirements. Districts must ensure that costs are allocated appropriately; documentation clearly demonstrates how each funding stream contributes to the overall effort; applicable fiscal rules such as supplement-not-supplant, comparability, and maintenance of effort are followed; and all statutory and regulatory conditions for each program are met.

Braiding multiple funding sources to support educational initiatives helps create consistency, reduce duplication of services, and expand the level of support beyond what any single source could provide. Federal law allows districts to coordinate spending across different grant programs as long as the funded activities are allowable under each program and the district keeps appropriate documentation of how federal funds are used.

### Federal Statute

The ESEA statute does not use the term “braiding funds,” but it does allow, and in some cases encourages, districts and states to coordinate (braid) funds across programs as long as each program’s requirements are met and funds keep their identity.

## Braiding vs. Blending

**Braiding** refers to coordinating funds from multiple sources to advance a shared goal. In a braided approach, each funding stream keeps its distinct identity, expenditures follow the rules of each individual program, and reimbursements are made back to the original source. This differs from **blending**, where funds are merged into a single pool and no longer retain their separate identities. One example of blending funds is through transferring; funds lose their original identity and take on the rules of the receiving ESEA program. Overall, braiding is used more frequently because blending typically requires explicit statutory authority, of which there is little.

### Braiding



Funds from multiple sources are **joined** to contribute to a common activity. The original funding sources are still tracked and are easily extracted if necessary.

### Blending



Funds from multiple sources are **combined** for a common activity. The identity of the original sources are no longer tracked. Must be authorized under statute.

## Requirements

There are a number of requirements that must be met when braiding ESEA funds. They include:

- **Allowability:** Districts must ensure that costs meet the intent and purpose of its specific program and that such costs are [reasonable](#) and [necessary](#).
- **Allocability:** Districts must demonstrate that costs charged to each federal program are [allocable](#) to that program. A cost is [allocable](#) if it benefits the program in proportion to the percentage charged to the program.
- **Supplement, Not Supplant:** [Supplement, not supplant \(SNS\)](#) is a rule that applies to most federal grants and is designed to ensure federal funds provide extra support beyond what a district would otherwise spend on education. Generally, this means federal funds should add to (supplement) and not replace (supplant) state and local funds. However, some federal programs cannot supplant other federal funds. Because SNS rules vary by program, districts should be aware of the specific rules for each program when considering braiding with federal funds.
- **Maintenance of Effort:** Maintenance of Effort (MOE) requires districts to demonstrate that the level of state and local funding for public education remains relatively constant from year to year. This means a district cannot reduce state and local funds for public education and replace those funds with federal funds. When braiding funds, districts must ensure MOE requirements continue to be met.
- **Inventory:** Districts receiving federal funds must maintain an up-to-date inventory of equipment and non-consumable supplies purchased with federal funds.
- **Time and Effort:** Any employee paid with federal funds, whether full or part-time, must track and formally document their [time and effort](#). Districts must have systems that meet the requirements regarding time and effort outlined in the [Uniform Grant Guidance \(UGG\)](#). If districts use federal funds to pay for salary costs when braiding, time and effort documentation must be maintained.

## DEED Recommendations

**Start with identified needs.** Districts should begin by conducting a comprehensive needs assessment to determine which initiatives or activities should be prioritized as they enter the braiding process. The priorities identified through this analysis provide a strong foundation for deciding how to braid federal funds in a strategic and effective way.

**Understand federal regulations.** Each federal grant comes with specific rules that define which activities may be supported and who is eligible to participate. Districts must adhere to these requirements when coordinating how funds are spent. Although allowable activities are often outlined in the grant's authorizing statute, districts must also consult the [Education Department General Administrative Regulations \(EDGAR\)](#) and the [Uniform Grant Guidance \(UGG\)](#) to guide their decision-making and ensure full compliance.

**Collaborate with intention.** Work closely with staff across programs to develop a coordinated plan and budget that clearly shows how funds from each program will be braided. Strengthen accountability by establishing clear outcomes and performance measures and by regularly reviewing progress toward those goals.

**Build relationships.** Strong collaboration between fiscal staff and federal program staff is essential in ensuring that all expenditures meet allowability requirements. Consider establishing regular meetings to support ongoing communication, shared understanding, and joint problem-solving.

**Maintain clear documentation.** Keep thorough records of all expenses charged to federal funds. Documentation should clearly demonstrate that each cost is necessary, reasonable, and allocable to the program supporting it.

**Educate staff.** Ensure that all staff involved understand their roles, responsibilities, and the district's braiding methodology. Providing regular training and reminders helps maintain consistency, prevents confusion, and reduces the risk of errors.

## Questions for Reflection

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- What identified student needs or priorities are we trying to address through braiding ESEA funds?
- How does braiding support our broader district or school improvement goals?
- Are we choosing to braid funds because it strengthens the initiative, or because we are trying to fill gaps that may signal a different issue?
- What federal funds are eligible to braid for this initiative?
- How will we ensure alignment with the purpose and intent of each ESEA program involved?
- How will we document and justify our braiding methodology?
- How will we document how each funding stream supports the braided initiative?
- How will we ensure compliance with supplement not supplant, comparability, and maintenance of effort?
- How will we measure the effectiveness of the braided initiative?
- What lessons have we learned from past braiding efforts that should inform future planning?
- How will we ensure that braiding funds helps us better serve students with the greatest needs?

# Braiding ESEA Funds Planning Checklist

## Allowability

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- The costs are allowable under the specific programs funding the activity
- Statutory and regulatory requirements for each contributing program have been reviewed
- Costs align with each of the contributing program's purpose and intent

## Allocability & Cost Distribution

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- Costs are allocated in proportion to the benefit each program receives
- A clear, reasonable allocation methodology is documented
- Time and effort requirements are met when staff are split-funded

## Required Documentation

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- Written description of the braided project or initiative
- Documentation showing how each funding stream supports allowable activities
- Records demonstrating how costs were allocated
- Procurement, contracts, and internal controls follow [Uniform Grant Guidance](#) and [EDGAR](#)

## Fiscal Compliance

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- Supplement, not supplant requirements are met for applicable programs
- Comparability is maintained for Title I
- Maintenance of effort requirements are met
- All expenditures meet the "necessary, reasonable, and allocable" standard

## Financial Tracking

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- Each program's funds remain separately budgeted and accounted for
- No funds are blended or pooled unless permitted under statute
- Financial records allow auditors to trace expenditures back to each program

## Coordination & Consultation

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- Program coordinators have reviewed and approved the plan
- Coordination with finance/business office is complete
- Stakeholder consultation requirements (e.g., parents, private schools, tribes) are met

## Monitoring & Audit Readiness

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- All documentation is organized and accessible
- Staff understand how the braided funding structure works
- District can clearly explain how each program benefits from the braided activities

## Braiding Scenarios

Below are three high-level examples of braiding/coordinating ESEA funds. In practice, scenarios may be more complex and include additional funding sources, such as Carl Perkins, School Improvement, Special Education (IDEA), or State of Alaska Foundation funding.

### Scenario 1: Expanding Evidence-Based Literacy Instruction

A district identifies early literacy as a top need. To support this initiative, the district braids:

Program	Use of Funds
<b>Title I-A</b>	Costs related to supporting targeted interventions for students in Title I-A Schools (e.g., reading specialists and interventionists).
<b>Title I-C</b>	Costs related to providing supplemental literacy tutoring and materials for migratory children and providing them with developmentally appropriate literature for the home
<b>Title II-A</b>	Costs related to the professional development on evidence-based reading instruction.
<b>Title III-A</b>	Costs related to supplemental intervention programming for English Learners.
<b>Title IV-A</b>	Costs related to the supplemental literacy materials, curriculum, and digital literacy platforms.
<b>Title IV-B</b>	Costs related to providing a supplemental summer literacy program.
<b>School Improvement</b>	Costs related to providing educators in schools identified for comprehensive or targeted support and improvement with professional development on the science of reading and staff time to evaluate student reading data.

### Scenario 2: College and Career Readiness

A district wants to expand access to career exploration, work-based learning, and postsecondary planning for its students. To support this initiative, the district braids:

Program	Use of Funds
<b>Title I-A</b>	Costs related to supporting College and Career Readiness Coordinators in Title I schools to help students explore pathways, complete career interest inventories, and plan coursework.
<b>Title I-C</b>	Costs related to supporting a summer leadership academy for migratory children.
<b>Title I-D</b>	Costs related to transition planning for youth returning from facilities, including career interest assessments and re-entry counseling.
<b>Title II-A</b>	Costs related to professional development on project-based learning, career-connected instruction, integrating real-world skills into academic courses, and advising students about pathways, financial aid, and post-secondary planning.
<b>Title III-A</b>	Costs related to family engagement sessions tailored to English learner families about college systems, apprenticeships, and career pathways.
<b>Title IV-A</b>	Costs related to providing students with career-focused enrichment activities (e.g., STEM labs, robotics club), College and Career Readiness Coordinators in non-Title I schools, and curriculum for all College and Career Readiness Coordinators.
<b>Title IV-B</b>	Costs related to providing a supplemental after school program focused on college and career readiness.
<b>School Improvement</b>	Costs related to student opportunity in Career and Technical education, including specialized courses, career exploration and student certification opportunities in schools identified for comprehensive or targeted support and improvement.

## Scenario 3: School Climate and Attendance

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A district wants to improve school climate and reduce chronic absenteeism. To support this initiative, the district braids:

Program	Use of Funds
<b>Title I-A</b>	Costs related to integrating trauma-informed practices into classrooms in Title I schools and building the capacity of parents as partners in their children’s education.
<b>Title I-C</b>	Costs related to supporting Student Success Coaches to act as a bridge between migratory children, families, teachers, and services.
<b>Title II-A</b>	Costs related to professional development on PBIS, trauma-informed practices, relationship-building, and early warning systems.
<b>Title III-A</b>	Costs related to providing ESL classes to parents of English learners to empower them to be more engaged in their children’s education and address barriers to attendance.
<b>Title IV-A</b>	Costs related to establishing early warning systems to identify at-risk students, supporting counselor salaries and benefits, and supporting school-level attendance teams.
<b>Title IV-B</b>	Costs related to providing an after-school program that includes enrichment activities that help boost student engagement in school.
<b>School Improvement</b>	Costs related to implementing Multi-Tiered Systems of Support in addressing chronic absenteeism, including attendance campaigns, professional development, and funding for support staff conducting individualized student support in schools identified for comprehensive or targeted support and improvement.

## Resources

### Federal Statues & Regulations

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[Elementary and Secondary Education Act](#)

[Title I-A and Title I-C Regulations](#)

[Uniform Grant Guidance \(UGG\)](#)

[Education Department General Administrative Regulations \(EDGAR\)](#)

### DEED Resources

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[ESEA Federal Programs Webpage](#)

[Federal Grants Management Webpage](#)

ESEA Reference Briefs: [General Cost Allowability](#), [Time and Effort](#), [ESEA Supplement](#), [Not Supplant Requirements](#), [and more](#)

ESEA Spending Handbooks: [Title I-A](#), [Title I-C](#), [Title I-D](#), [Title II-A](#), [Title III-A](#), [Title IV-A](#), [McKinney-Vento](#)