

United States Department of Education

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

May 19, 2026

Dear Colleague:

The Trump administration's goal is to improve academic achievement by empowering States with greater flexibility, autonomy, and decision-making authority. A key part of returning education to the States is greater flexibility in the use of federal funds to better meet States' and communities' needs. Towards this goal, the Department has released a series of Dear Colleague Letters aimed at highlighting existing flexibility in federal law and is in conversation with States to help them navigate how to leverage these flexibilities.

This letter provides information about the transferability authority available to State educational agencies (SEAs) and local educational agencies (LEAs) under section 5103 of the *Elementary and Secondary Education Act of 1965*, as amended (ESEA). This authority allows States and LEAs to move certain Federal funds across programs to better meet State and local priorities.

This guidance builds on the U.S. Department of Education's (Department) July 29, 2025, [Dear Colleague Letter highlighting flexibilities and waiver authorities under ESEA](#).

The Department's goal is to improve academic achievement, reduce unnecessary Federal and bureaucratic burden, and return greater decision-making authority to States and local communities. Increasing awareness and use of transferability supports these goals by allowing States and LEAs to align Federal resources more effectively to student needs.

This guidance is most relevant to State and local leaders in SEAs and LEAs who administer ESEA funds. ESEA section 5103 allows SEAs and LEAs to transfer all or a portion of funds from certain programs to other allowable ESEA programs.

Transferability does not change the total amount of Federal funding received. Instead, it allows SEAs and LEAs to use those funds more strategically. Once funds are transferred, they are no longer subject to the requirements of the original program and instead follow the rules of the program to which they are transferred.

Importantly:

- SEAs and LEAs do **not** need prior approval from the Department to transfer funds.
- LEAs do **not** need prior approval from their SEA.
- Transferability is intended to be a **simple and flexible tool**, not an additional administrative burden.

At the **State level**, SEAs may transfer funds from:

- Title II, Part A
- Title IV, Part A
- Title IV, Part B

to any of the following programs for which they receive funds:

- Title I, Part A
- Title I, Part C
- Title I, Part D
- Title II, Part A
- Title III, Part A
- Title IV, Part A
- Title IV, Part B
- Title V, Part B

At the **local level**, LEAs may transfer funds from:

- Title II, Part A
- Title IV, Part A

to any of the following programs for which they receive funds:

- Title I, Part A
- Title I, Part C
- Title I, Part D
- Title II, Part A
- Title III, Part A
- Title IV, Part A
- Title V, Part B

Transferability does not require approval but does require notification:

- SEAs must notify the Department at least 30 days prior to the transfer. (ESEA section 5103(d)(1)(C)).
- LEAs must notify their SEA at least 30 days prior to the transfer. (ESEA section 5103(d)(2)(C)).
- Following the transfer, LEAs must update any affected plans or applications. (ESEA section 5103(d)(2)(A-B)).

SEAs may also need to update their consolidated State plans to reflect transferred funds. (ESEA section 5103(d)(1)(A-B)).

There are many ways SEAs and LEAs can use transferability to help meet local priorities:

- A State may determine that additional investment in literacy or school improvement is needed and transfer a portion of its Title II, Part A funds to Title I, Part A to support those priorities.
- Similarly, an LEA may transfer Title IV, Part A funds to Title I, Part A to expand academic interventions for students identified through the State's accountability system.

The Department encourages SEAs to inform and support LEAs in considering how transferability can be used to better align Federal funds with local priorities and improve student outcomes. SEAs should also review their policies and procedures to ensure they do not create unnecessary barriers that limit the use of this flexibility.

Transferability is intended to help States and LEAs move beyond program silos and instead support coordinated, student-centered strategies. If you identify any Federal requirements or

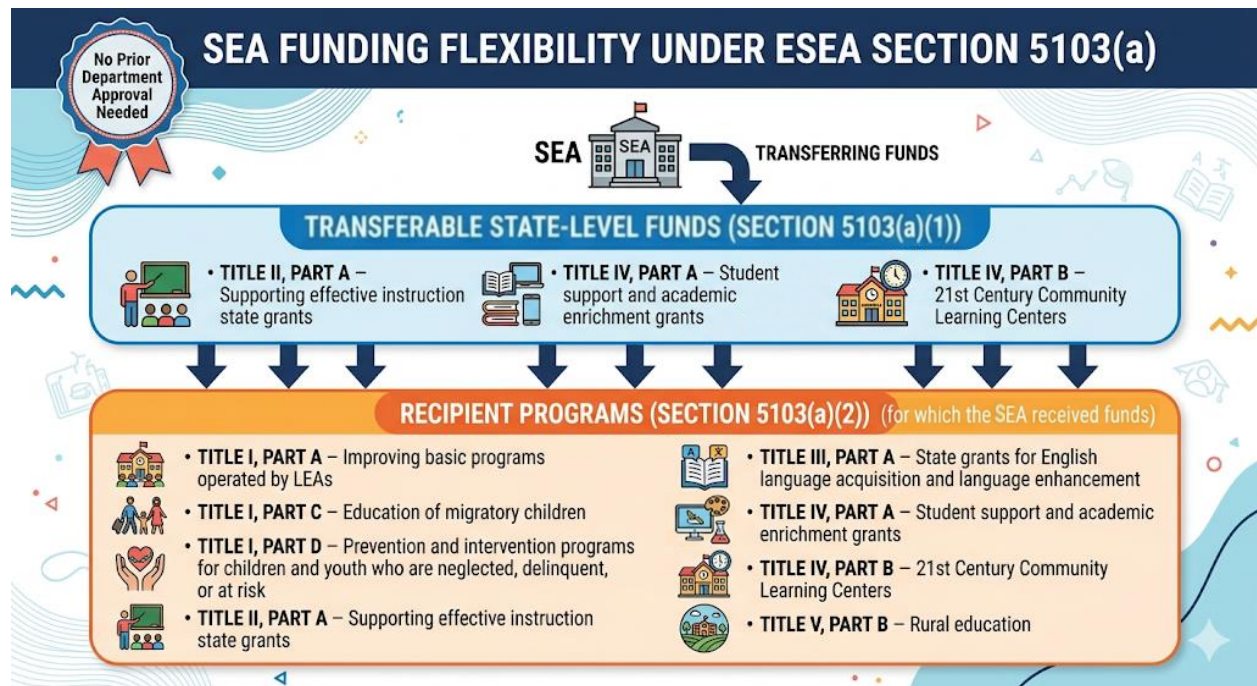
guidance that may limit your ability to fully utilize transferability authority, please contact the Department at OESE.TitleI-a@ed.gov.

The Department is here as a resource for States and LEAs as they identify how best to use federal funds to support students and families.

Sincerely,



Kirsten Baesler
 Assistant Secretary
 Office of Elementary and Secondary Education





LEA FUNDING FLEXIBILITY UNDER ESEA SECTION 5103(b)



TRANSFERABLE LOCAL-LEVEL FUNDS (SECTION 5103(b)(2))

- **TITLE II, PART A** – Supporting effective instruction grants
- **TITLE IV, PART A** – Student support and academic enrichment grants

RECIPIENT PROGRAMS (SECTION 5103(b)) (for which the LEA received funds)

- **TITLE I, PART A** – Improving basic programs operated by LEAs
- **TITLE I, PART C** – Education of migratory children
- **TITLE I, PART D** – Prevention and intervention programs for children and youth who are neglected, delinquent, or at risk
- **TITLE II, PART A** – Supporting effective instruction grants
- **TITLE III, PART A** – Grants for English language acquisition and language enhancement
- **TITLE IV, PART A** – Student support and academic enrichment grants
- **TITLE V, PART B** – Rural education