

## 50% Rule – Approval of Proposed Grant Budgets

Query – 03.25.2005

<p><b>Query:</b> I have a question for the network. It pertains to the special rule “no single participant in an eligible partnership may use more than 50% of the Title II, Part A funds made available to the partnership” I interpreted this as restricting the IHEs from rapping the award. But we ensure that a perfect 50/50 split of dollars is in place. Looking at the budgets for this year’s awards in most cases the split is 40/60 or 20/80 in favor of the LEA is this in violation of the special rule? I have not approved these budgets and need feedback ASAP.</p>	
<p><b>From:</b> Mississippi</p>	
<p><b>Responses:</b></p>	
North Carolina	<p>NC's RFP clearly states that there must be a 50/50 split of the funds by partnerships. We look for the split in review of the proposals and if it is not proposed that way we would ask for a revision of the budget before approving/awarding a grant. We continue to monitor for the 50/50 split if there are any budget revisions during the life of the grant.</p>
Nevada	<p>The 50% rule does not divide between the IHE and the LEA. Rather, it divides the three partners, the College of Arts &amp; Science (1 partner), College of Education (1 partner), and the LEA (1 partner). If the IHE gets more than 50%, not a problem as long as neither IHE partner uses 50%. However, if the LEA uses more than 50%, then that is a problem. No one partner can use more than 50% of the award is my understanding of the 50% rule.</p>
Nebraska	<p>I agree with Pearl that the rule was intended to prevent the IHE from claiming the majority of the funds. I have also found in Nebraska that it can penalize the LEAs, as in the cases Pearl describes (if she enforces the 50/50). While I can't find a way to completely avoid the rule, I don't look at it as a 50/50 split, rather that no single partner can use more than 50%. If there is more than one LEA in the partnership, e.g., each could receive 40%, the IHE Teacher's College 10%, and the IHE-Arts and Sciences 10% (or some other combination). But if there is only one LEA, the IHE could still try to claim the lion's share with this approach (something I wouldn't be likely to approve). Fortunately, we do receive a fair number of proposals with multiple LEAs.</p>
New York	<p>New York has interpreted this to mean that no one of the three required partners may benefit from more than 50 percent of the award. Thus the IHE housing one of our projects may receive more than 50 percent if it is the home of both the Teacher Preparation Program partner and the Liberal Arts and Sciences partner. An example would be TPP 40 %, LAS 20 %, and LEA 40%. And, for that matter, this example is fairly close to the split that we frequently find, especially when Teacher Preparation Program faculty and staff are very active in the project.</p> <p>To enable us to keep track of who is benefiting from project expenditures, we require projects to write this information on their proposed budgets, in a line-by-line basis. During our budget reviews, we can then ask about the partner attribution given for any particular expense if it seems to be an unlikely one.</p>
Montana	<p>I've interpreted the partnerships to be three-way: The college of arts and sciences, the school of education, and the high-need LEA. Then there's no such thing as a 50/50 split and it's relatively easy to make certain no one of those partners gets over 50%.</p>

