



DISTRICT OF COLUMBIA

OFFICE OF THE STATE SUPERINTENDENT OF

**EDUCATION**

Date Issued: August 3, 2016

## **ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA) STATE ALLOCATION POLICY**

### **Overview**

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The Every Student Succeeds Act (ESSA) (PL 114-95), signed into law on December 10, 2015, amends and re-authorizes the Elementary and Secondary Education Act (ESEA), as previously amended by the No Child Left Behind Act of 2001 (NCLB).

Pursuant to the District of Columbia Public Education Reform Amendment Act of 2007, the Office of the State Superintendent of Education (OSSE) serves as the District of Columbia's State Education Agency (SEA) and is therefore responsible for ensuring compliance with all programmatic and fiscal elements of ESEA Titles I-A, II-A, and III-A.

The purpose of this policy is to clarify OSSE's administrative procedures regarding allocation and use of ESEA Titles I-A, II-A, and III-A funding that the District receives. This policy, in combination with OSSE's guidance for New or Significantly Expanding Charter Schools<sup>1</sup>, describes how OSSE determines the SEA set aside calculations and the procedures for calculating and releasing Titles I-A, II-A, and III-A formula grants to Local Education Agencies (LEAs).

Please note that under the ESSA transition provisions, as clarified by the Consolidated Appropriations Act, 2016<sup>2</sup> formula grant funds, including Titles I-A, II-A, and III-A, for federal fiscal year 2016<sup>3</sup> generally will be awarded and administered in accordance with ESEA, as previously amended by the No Child Left Behind Act of 2001. Any updates required to this policy to ensure alignment with new ESSA requirements in FY18 will be made prior to the end of FY17 to ensure a smooth and effective transition.

### **I. Scope**

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This policy applies to federal entitlement formula grants only. Specifically, the policy addresses OSSE's allocation of federal entitlement funds for the following three educational grant programs:

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<sup>1</sup> OSSE Guidance for New or Significantly Expanded Charter Schools (April 28, 2010).

<sup>2</sup> U.S. Dep't of Education, *Transitioning to the Every Student Succeeds Act FAQs* (February 26, 2016), A-2.

<sup>3</sup> Federal fiscal years run from July 1 to June 30 annually.

**A. ESEA Title I-A: Improving Basic Programs Operated by State and Local Educational Agencies (CFDA Number 84.010A)**

The purpose of Title I, Part A (Title I) of the ESEA, as amended, is to provide financial assistance to LEAs and schools with high numbers or high percentages of children from low-income families, to help ensure that all children meet challenging state academic standards.

**B. ESEA Title II-A: Preparing, Training, and Recruiting High-Quality Teachers, Principals, or Other School Leaders (CFDA Number 84.367A)**

The purpose of Title II, Part A (Title II) of the ESEA, as amended, is to provide grants to SEAs and LEAs in order to increase student academic achievement consistent with the challenging State academic standards; increase the number of and improve the quality and effectiveness of teachers, principals, and other school leaders; and provide low-income and minority students greater access to effective teachers, principals and other school leaders.

LEAs may carry out program activities through grants with for-profit or non-profit entities or in partnership with an institution of higher education.

**C. ESEA Title III-A: Language Instruction for English Learners and Immigrant Students (CFDA Number 84.365A)**

The purpose of Title III, Part A (Title III) of ESEA is to provide funding to support programs for English learners (ELs) to ensure that English learners attain English proficiency and develop high levels of academic achievement in English and can meet the same challenging State academic standards that all children are expected to meet.

## **II. Sub-grantee Eligibility**

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**A. ESEA Title I-A: An LEA is eligible to receive funds in a given fiscal year if:**

- a. The LEA serves at least one K-12 student, and
- b. The LEA's K-12 poverty rate for the prior year meets the eligibility threshold percentage, as follows:
  - 1) With respect to charter LEAs, the percentage of students who are low-income is equal to or greater than the percentage of students who are low-

income students in the District of Columbia Public Schools (DCPS) with the lowest such percentage that is served with Title I funds<sup>4</sup>; and

2) For the purpose of this guidance document, the LEA's K-12 poverty rate for the prior year meets an eligibility threshold of 35 percent or greater.

**B. ESEA Title II- A:** An LEA is eligible to receive funds if:

- a. The LEA serves at least one K-12 student and submits an approvable plan to OSSE containing such information that OSSE may require in accordance with ESEA.

**C. ESEA Title III- A:** An LEA is eligible to receive funds if:

- a. The LEA serves at least one English Learner and submits an approvable plan to OSSE containing such information that OSSE may require in accordance with ESEA.
- b. One or more LEAs, in consortia or collaboration with an institution of higher education or community-based organization, may be eligible to receive funds if it submits an approvable plan to OSSE containing such information that OSSE may require, which shall include without limitation the content set forth in Section 3116 of ESEA.

### **III. State Allocation and State-level Set Asides**

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**A. ESEA Title I-A**

- a. Four percent of the total state allocation from the U.S. Department of Education must be reserved by the SEA for school improvement sub-grants and activities (ESEA Section 1003(a), except that such reservation shall not decrease the amount of funds each LEA receives below the amount received by the LEA for the preceding fiscal year (ESEA Section 1003(e)). Of this amount, 95 percent must be allocated to LEAs for schools identified for school improvement, corrective action, or restructuring (ESEA Section 1003(b)(1)).

*State-level Administration:* The SEA may reserve the greater of \$400,000 or 1 percent of the total state allocation from the U.S. Department of Education to carry out administrative duties (ESEA Section 1004(a)(1)(2)), except that if the sum of the amounts appropriated for Title I, Parts A, C, and D for all states exceeds \$14 billion, the U.S. Department of Education will provide caps on administrative costs representing 1 percent of what the state would receive if

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<sup>4</sup> D.C. Code § 38-1802.10

only \$14 billion were allocated among all states for Title I, Parts A, C, and D (ESEA Section 1004(b)). The state may, as applicable, apply an approved indirect cost rate to the amount reserved for state administration.

**B. ESEA Title II-A**

- a. Ninety-five percent of the total allocation must be allocated to LEAs (after reserving one percent for SEA and State Agencies for Higher Education (SAHE) administration.
- b. Two-and-a-half percent of the total state allocation must be reserved to make sub-grants to eligible partnerships from the state agency for higher education (Sections 2131-2134 of the ESEA, as amended by NCLB).
- c. Two-and-a-half percent of the total state allocation may be reserved for state activities (ESEA Section 2113(c), as amended by NCLB).
- d. Up to one percent of the state allocation may be used for state administrative costs (ESEA Section 2113(d), as amended by NCLB).

**C. ESEA Title III-A**

- a. Five percent of the total state allocation from the U.S. Department of Education may be reserved for state activities (ESEA Section 3111(b)(2)(a) including state administration.

The state may use the greater of 60 percent of the amount reserved for state activities or \$175,000 to carry out administrative duties (ESEA Section 3111(b)(3)). The state may, as applicable, apply an approved indirect cost rate to the amount reserved for state administration.

- b. For the purpose of providing sub-grants to LEAs that have experienced a significant increase (as compared to the average of the two preceding fiscal years) in the percentage or number of enrolled immigrant children and youth, the state must reserve up to 15 percent of the total state allocation from the U.S. Department of Education (ESEA Section 3114(d)).
- c. LEAs must meet the minimum allocation amount of \$10,000 to access Title III funds independently. LEAs have the option of combining funds with other LEAs to meet the minimum requirement by joining a Title III consortium (ESEA Section 3114(b)).

#### IV. ESEA Title I-A, II-A, and III-A Allocation Formula for Sub-grantees

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##### A. Overview

Allocations depend upon a variety of factors, including the amount of funding provided in a given year by the U.S. Department of Education and the number of eligible students served by each District of Columbia LEA. As such, the following two sets of factors determine allocation levels to LEAs under the Federal Titles I-A, II-A, and III-A grant programs:

- (1) Levels of Federal funding provided to the District of Columbia; and
- (2) LEA student demographic data.

Titles I-A, II-A, and III-A are formula-based grants that are distributed on a ratable basis using the below four key demographic data elements, as applicable:

1. *K-12 Free and Reduced Meal (Poverty) Data from Preceding School Year*  
This data element is considered for both Title I-A and Title II-A allocations to an LEA.
2. *K-12 Total Enrollment Data (Public and Private School) from Preceding School Year*  
This data element is considered for the Title II-A allocation to an LEA.
3. *Age 3-21 Limited English Proficiency (LEP) Enrollment Data from Preceding School Year*  
This data element is considered for the Title III-A allocation to LEAs.
4. *New or Significantly Expanding Public Charter School (NOSEPCS) Forms for Preceding and Upcoming School Years*  
This data element is considered as appropriate for funding to public charter schools each year. **Note:** The accuracy of the prior school year's NOSEPCS projection and the full NOSEPCS projection for the upcoming school year are both considered for each allocation to an LEA.

In most cases, funding under ESEA Titles I-A, II-A, and/or III-A to an LEA significantly increases or decreases relative to changes in the U.S. Department of Education's federal allocations only if an LEA's K-12 Poverty and/or K-12 Total Enrollment Data significantly changes from one school year to the next; and/or a public charter LEA significantly under-projected or over-projected the increase in students on its NOSEPCS submission in the prior school year.

## **B. ESEA Title I Allocation Formula Methodology for Sub-grantees**

The data elements utilized for the ESEA Title I, Part A allocations include: (1) enrollment data from the most recent annual audit, (2) poverty data reported for the Richard B. Russell National School Lunch Program, (3) projected enrollment increases for public charter schools that have notified the SEA that they will open to serve students for the first time or significantly expand due to a significant event, (4) private school enrollment counts of students provided by the District of Columbia Public Schools for equitable services, and (5) the ESEA Title I, Part A allocations to all LEAs in the preceding year.

For any fiscal year, a *'public charter school'* shall be considered to be a local educational agency for purposes of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), and shall be eligible for assistance under such part, if the fraction the numerator of which is the number of low-income students enrolled in the public charter school during the fiscal year preceding the fiscal year for which the determination is made and the denominator of which is the total number of students enrolled in such public charter school for such preceding year, is equal to or greater than the lowest fraction determined for any District of Columbia public school receiving assistance under such part A where the numerator is the number of low-income students enrolled in such public school for such preceding year and the denominator is the total number of students enrolled in such public school for such preceding year (D.C. Code § 38-1802.10(a)(1)(A) DC School Reform Act of 1995).

The term *'low-income student'* means a student from a low-income family determined according to the measure adopted by the District of Columbia to carry out the provisions of part A of title I of the Elementary and Secondary Education Act of 1965 that is consistent with the measures described in § 1113(a)(5) of such Act (20 U.S.C. 6313(a)(5)) for the fiscal year for which the determination is made (D.C. Code § 38-1802.10(a)(1)(B), DC School Reform Act of 1995).

- a. The District uses the number of students who are enrolled in grades kindergarten through twelve who qualify as eligible under the Free and Reduced Priced Lunch (FRPL) under the Richard B. Russell National School Lunch Act through either direct certification to OSSE or through the community eligibility provision. Unless the LEA is a new or an expanding public charter school,<sup>5</sup> OSSE shall use the FRPL data described above from the most recent school year to calculate each LEA's poverty payment for a given grant year.
- b. The percentage of students in an LEA who are low-income students is determined by dividing the reported K-12 poverty count for the LEA by the audited K-12 enrollment. A charter LEA is eligible to receive Title I, Part A funding if the percentage of students

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<sup>5</sup> OSSE Guidance for New or Significantly Expanded Charter Schools (April 28, 2010).

in the LEA who are low-income students is equal to or greater than the percentage of students who are low-income students in the District of Columbia Public School with the lowest such percentage that is served with Title I funds.

- c. For DCPS, the number of low-income students attending private schools is added to the total count of low-income students served by DCPS, as DCPS is responsible for fulfilling the equitable services provisions of Title I, Part A (ESEA Section 1120). DCPS must determine the number of low-income private school students in accordance with ESEA (Section 1120(c)).

The poverty counts for public charter school LEAs are, as applicable, adjusted for *New or Significantly Expanding Public Charter Schools (NOSEPCS)* in accordance with OSSE policy. For significantly expanding public charter school LEAs, the reported projected increase in K-12 enrollment is multiplied by the percentage of students in the LEA in the preceding year identified as low-income students. The resulting count is added to the LEA's poverty count.

- d. For each LEA, the reported K-12 poverty count, the projected increase in K-12 poverty enrollment due to opening or significant expansion, and, from DCPS, the number of private school students, are added together to determine the total K-12 poverty count.
- e. A formula allocation for each LEA is calculated based upon that LEA's share of the total District of Columbia K-12 poverty count (i.e., the sum of all LEAs' K-12 poverty counts).
- f. This initial allocation for each LEA is then reduced proportionally to remove the 4 percent set-aside for school improvement. This calculation is conducted in a way which ensures that removal of the 4 percent set-aside does not reduce any LEA's allocation below its allocation in the preceding year (ESEA Section 1003(e)).
- g. Next, the full reservation for state administrative costs is removed from LEA allocations by reducing each LEA's allocation in proportion to each LEA's relative share of the total DC K-12 poverty count (ESEA Section 1004).

Other required adjustments are made to LEA allocations, including adjustments for new and significantly expanding public charter school LEAs based on actual enrollment and poverty data in cases where projections were used to calculate allocations in the preceding year and the projections did not match actual data later collected (ESEA Section 5206(b)).

## **V. ESEA Title II Allocation Formula Methodology for Sub-grantees**

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The data elements utilized for Title II, Part A allocations include: (1) enrollment data from the most recent annual audit, (2) poverty data reported for the Richard B. Russell National School Lunch Program, (3) projected enrollment increases for public charter schools that notified OSSE that they will open to serve students for the first time or significantly expand due to a significant event, (4) counts of students provided by the District of Columbia Public Schools for equitable services, and (5) the Federal Fiscal Year 2001 allocations to the District of Columbia for the Eisenhower Professional Development and Class-Size Reduction grant programs.

- a. A portion of the Title II, Part A allocation to LEAs is determined based on a "hold harmless" amount that is made up of the sum of the Federal Fiscal Year 2001 allocation to the state from the Eisenhower Professional Development and the Class-Size Reduction grant programs (ESEA Section 2121(a)(2)). The remainder that is sub-granted to LEAs is considered "supplemental" and is based on total K-12 enrollment and K-12 poverty enrollment counts (ESEA Section 2121(a)(3)).

Due to the District of Columbia having only one geographic LEA and many charter LEAs, an alternative poverty measure (free and reduced price lunch) must be used for all poverty counts utilized in the Title II-A allocation.

- b. For each LEA, the audited K-12 enrollment, the projected increase in K-12 enrollment due to opening or significant expansion, in the case of public charter LEAs, and the total number of K-12 students in District of Columbia private schools are added together to determine the total K-12 enrollment count.
- c. For each LEA, the reported K-12 poverty count, the projected increase in K-12 poverty enrollment due to opening or significant expansion, in the case of public charter LEAs, and the number of private school students in poverty are added together to determine the total K-12 poverty count.
- d. Fifty percent of the Eisenhower portion of the hold harmless amount is allocated to LEAs based on their relative share of total K-12 enrollment. Fifty percent of the Eisenhower portion of the hold harmless amount is allocated to LEAs based on their relative share of Title I, Part A allocations in the preceding year.
- e. Twenty percent of the Class-Size Reduction portion of the hold harmless amount is allocated to LEAs based on their relative share of total K-12 enrollment. Eighty percent of the Class-Size Reduction portion of the hold harmless amount is allocated to LEAs based on their relative share of the "census poverty estimate."



- f. Of the funds remaining for allocation to LEAs separate from the hold harmless amount, twenty percent is allocated based on the relative shares of total K-12 enrollment and eighty percent is allocated based on poverty.
- g. Other required adjustments are made to LEA allocations, such as those made to adjust for new and significantly expanding public charter school LEAs based on actual enrollment and poverty data in cases where projections were used to calculate allocations in the preceding year and the projections did not match actual data later collected (ESEA Section 5206(b)).

## **VI. ESEA Title III-A Allocation Formula Methodology for Sub-grantees**

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The data elements utilized for ESEA Title III, Part A allocations include: (1) enrollment data from the most recent annual audit, (2) projected enrollment increases for public charter schools which notified OSSE that they will open to serve students for the first time or significantly expand due to a significant event, and (3) counts of students provided by DCPS for equitable services.

- a. For each LEA, the audited EL enrollment, the projected increase in EL enrollment due to opening or significant expansion, and the number of private school students generating Title III funds are added together to determine the total EL count.
- b. An allocation is calculated for each LEA based on the proportion of each LEA's EL count in comparison to the total District of Columbia EL count (i.e., the sum of all LEAs' EL counts).
- c. No LEA may receive a Title III, Part A sub-grant of less than \$10,000 (ESEA Section 3114(b)). LEAs with allocations of less than \$10,000 based on their total EL count may only access Title III funds by joining a consortium with other LEAs.
- d. Once the LEAs that must join a consortium to access funds are determined, the allocations are updated based on the decision made by those LEAs regarding whether they certify that they will join a consortium. All funds allocated to LEAs (less than \$10,000 per LEA) that decide not to join a consortium will be reallocated to other qualifying LEAs.
- e. If applicable, allocations to LEAs that have experienced a significant increase in the number or percentage of immigrant children and youth enrollment are made from the reservation for such competitive sub-grants. Otherwise, the amount of funds reserved is re-allocated in the same way other Title III, Part A funds are allocated. A significant increase is based on the compared average of the two preceding fiscal years, in the percentage or number of enrolled immigrant children and youth (ESEA Section 3114(d)).

- f. OSSE defines “significant increase” as follows:

If LEA’s enrollment of students who are immigrants is...	Then, the substantial increase is...
1 to 249 students	22 or more students
250 to 999	44 or more students
1,000 and more students	6% of total enrollment

- g. Other required adjustments are made to LEA allocations, including those made to adjust for new or significantly expanding public charter school LEAs based on actual enrollment and poverty data in cases where projections were used to calculate allocations in the preceding year and the projections did not match actual data later collected (ESEA Section 5206(b)).

## **VII. Timeline and Frequency for ESEA Title I-A, II-A, and III-A Allocations**

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- a. Unless the LEA is a new or expanding public charter school, all ESEA Title I-A, II-A, III-A award allocations for an upcoming grant cycle will be calculated using data collected in the prior school year.
- b. The federal grant award period is 15 months and all carryover periods are an additional 12 months. OSSE aims to assist LEAs in adhering annually to the following timelines:
- The first date to obligate funds (pending timely Phase I submission and approval) is July 1<sup>st</sup> (the beginning of the federal fiscal year).
  - OSSE aims to release the Title I and Title II Phase II application by July 31<sup>st</sup> and provide 30 days for LEAs to complete the application.
  - The first date to submit reimbursements for funds (pending timely Phase II submission and approval) is October 1<sup>st</sup> annually.
  - LEAs with ESEA allocation that have not successfully completed the Phase II application by December 31, 2016 will be at risk for losing the funding. Any ESEA funding unobligated by this date may be reallocated to other LEAs in order to ensure appropriate use of funding based on identified need, in accordance with EDGAR requirements.
- c. OSSE reserves the right to revise and or postpone the release of federal grant allocations when special circumstances occur (i.e. the US Congress revises the allocation for the USDE; data elements necessary to perform these calculations are not available; and or multiple LEAs close at once).

## **VIII. Monitoring and Oversight**

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- a. The data sources and methodology used for making ESEA grant allocations will be reviewed by two different individuals within the OSSE Division of Elementary, Secondary and Specialized Education.
- b. The allocations must be reviewed and approved by the two different individuals before the SEA releases and acts upon sub-grantee award information.
- c. All sub-grantees will be subject to relevant monitoring and oversight to ensure compliance with federal and local requirements.