



DISTRICT OF COLUMBIA

OFFICE OF THE STATE SUPERINTENDENT OF

**EDUCATION**

Date Issued: August 3, 2016

## **INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA) STATE ALLOCATION POLICY**

### **Overview**

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Part B of the Individuals with Disabilities Education Act (IDEA) (PL 108-446) is a federal grant program that provides funds to state educational agencies (SEAs) and local educational agencies (LEAs) to help ensure that students with disabilities, ages three through twenty-one, have access to a free appropriate public education (FAPE) to meet each student's unique needs and prepare him or her for further education, employment, and independent living. These funds are provided to the SEA and LEAs using formulas outlined in the IDEA regulations. IDEA Part B funds are non-discretionary and must be spent for specific purposes.

Pursuant to the District of Columbia Public School Reform Amendment Act of 2007, the Office of the State Superintendent of Education (OSSE) serves as the District of Columbia's SEA and is therefore responsible for ensuring compliance with all programmatic and fiscal elements of IDEA. The SEA must annually assure that it will fulfill these responsibilities through its submission of a state-level plan to the U.S. Department of Education Office of Special Education Programs (OSEP). The allocation and monitoring of IDEA grant funds to applicable sub-grantees is a major component of the SEA's responsibility.

The purpose of this policy is to:

- Clarify OSSE's administrative procedures regarding the way in which it allocates and uses the IDEA Part B funding the District receives, and
- Clarify Local Education Agency (LEA) and public agency obligations related to IDEA.

### **Scope**

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This policy applies to IDEA Part B only. Specifically, the policy addresses OSSE's allocation of federal funds for the following two educational grant programs:

- IDEA, Part B - Section 611: Grants to States for the Education of Children with Disabilities (CFDA Number 84.027)
- IDEA, Part B - Section 619: Preschool Grants for Children with Disabilities (CFDA Number 84.173)

The purpose of the Section 611 funds are to pay for the excess cost of providing special education and related services to students with disabilities aged three through twenty-one, while Section 619 funds must be used to provide special education and related services to children with disabilities aged three through five.

### **Earmarking of IDEA State-level Set-asides for Section 611 and Section 619**

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Section 611: IDEA allows the SEA to reserve a portion of the total funding it receives for its Section 611 grant program for state set-asides: state-level administration and state-level activities. Each year OSEP calculates and publishes an IDEA, Part B Section 611 grant allocation table for States (The following web link connects to the US Department of Education's Part B Grant Award Letters and Funding Tables <http://www2.ed.gov/fund/data/award/idea/index.html>). This table contains the various maximum state set-aside options available to each SEA. SEAs must use the amounts listed in this table under Total Award and LEA Base Allocation when making their decisions about whether to reserve the maximum state set-aside allocations listed in the table and to calculate their sub-grants to LEAs. In accordance with 34 C.F.R. §300.165 and 20 U.S.C. §1232d (b)(7), OSSE annually posts its federal IDEA grant application, which includes its proposed use of state-level set aside funds, for a 60 day public comment period prior to submission of its grant application to OSEP.

Below is a summary of the way in which these set-asides are determined and allowable uses of the funding. A more detailed explanation can be found in IDEA, Section 611 (e) or 34 CFR §300.704.

- i. State-level Administration*: The maximum amount the State may set aside for State-level administration is the greater of (1) the maximum amount the State was able to reserve for State-level administration for fiscal year 2004, and (2) \$800,000, as adjusted for inflation each year.<sup>1</sup> The State may not reserve for State-level administration for any fiscal year more than the amount identified in OSEP's federal allocation table. State-level administration encompasses the coordination of Part B activities for pre-school, elementary, and secondary services.
- ii. State-level Activities*: A portion of the of the State-level activity funds must be used to support monitoring, enforcement, and complaint investigation and to establish and implement the mediation process required by IDEA, Section 615(e), including providing for the costs of mediators and support personnel.<sup>2</sup>

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<sup>1</sup> Inflation based on the Consumer Price Index For All Urban Consumers (CPIU), published by the Bureau of Labor Statistics of the Department of Labor.

<sup>2</sup> See 34 CFR §300.704(b)(3)

*iii. Allowable Costs:* IDEA, Section 611 funds reserved for other state-level activities may be used to carry out the following activities:<sup>3</sup>

1. For support and direct services, including technical assistance, personnel preparation, and professional development and training;
2. To support paperwork reduction activities, including expanding the use of technology in the individualized education program (IEP) process;
3. To assist LEAs in providing positive behavioral interventions and supports and mental health services for children with disabilities;
4. To improve the use of technology in the classroom by children with disabilities to enhance learning;
5. To support the use of technology, including technology with universal design principles and assistive technology devices, to maximize accessibility to the general education curriculum for children with disabilities;
6. For development and implementation of transition programs, including coordination of services with agencies involved in supporting the transition of students with disabilities to post-secondary activities;
7. To assist LEAs in meeting personnel shortages;
8. To support capacity building activities and improve the delivery of services by LEAs to improve results for children with disabilities;
9. For alternative programming for children with disabilities who have been expelled from school, and services for children with disabilities in correctional facilities, enrolled in State-operated or State-supported schools, and in charter schools;
10. To support the development and provision of appropriate accommodations for children with disabilities, or the development and provision of alternate assessments that are valid and reliable for assessing the performance of children

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<sup>3</sup> See 34 CFR §300.704(b)(4)

with disabilities, in accordance with sections 1111(b) and 6111 of the Elementary and Secondary Education Act of 1965 (ESEA); and;

11. To provide technical assistance to schools and LEAs, and direct services, including supplemental educational services as defined in section 1116(e) of the ESEA to children with disabilities, in schools or LEAs identified for improvement under section 1116 of the ESEA on the sole basis of the assessment results of the disaggregated subgroup of children with disabilities, including providing professional development to special and regular education teachers, who teach children with disabilities, based on scientifically based research to improve educational instruction, in order to improve academic achievement to meet or exceed the objectives established by the State under section 1111(b)(2)(G) of the ESEA.

Section 619: IDEA allows the SEA to reserve a portion of the total funding it receives for its Section 619 grant program for state-level administration and state-level activities. Unlike Section 611, State set-aside amounts for Section 619 are limited to an amount that is twenty-five percent of the amount that the State received under Section 619 for fiscal year 1999, plus an adjustment based on the lesser of the rate of inflation or the percentage increase in the SEA's allocation over the preceding Federal fiscal year. Each year, OSEP calculates and publishes an IDEA, Part B Section 619 grant allocation table for its sub-grantees (The following web link connects to the US Department of Education's Part B Grant Award Letters and Funding Tables <http://www2.ed.gov/fund/data/award/idea/index.html>). This table contains the various state set-aside options available to each SEA. SEAs must use the amounts listed under Total Award and Base Payment for LEAs in this table when making their decision about whether to reserve the maximum state set-aside allocation and to calculate their sub-grants to LEAs. Below is a summary of how these set-asides are determined and allowable uses of these funds. A more detailed explanation can be found in IDEA, Section 619 (e) or 34 CFR §§300.812-300.814.

- i. State-level Administration*: SEAs may use no more than 20% of the total allowable set-aside amount for State-level activities.
- ii. State-level Activities*: All of the remaining SEA set-aside funds must be used to support State-level activities.
- iii. Allowable Costs*: Section 619, Other State level activities funds must be used for the following:<sup>4</sup>

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<sup>4</sup> See 34 CFR §300.813 and §300.814

1. Support services (including establishing and implementing the mediation process required under Section 615(e)€, which may benefit children with disabilities younger than 3 or older than 5, as long as those services also benefit children with disabilities ages 3 through 5;
2. Direct services for children with disabilities who are eligible for services under section 619;
3. Activities at the State and local levels to meet the performance goals established by the State under Section 612(a)(15), (the Annual Performance Report);
4. Supplementing other funds used to develop and implement a statewide coordinated services system designed to improve results for children and families, including children with disabilities and their families (not more than one percent of the amount received under Section 619 for a fiscal year);
5. To provide early intervention services (which shall include an educational component that promotes school readiness and incorporates pre-literacy, language, and numeracy skills) in accordance with IDEA Part C (early intervention services provided to infants and toddlers with qualifying disabilities) to children with disabilities who are eligible for services under section 619 and who previously received services under Part C until such children enter, or are eligible under State law to enter, kindergarten; or
6. At the State’s discretion, to continue service coordination or case management for families who receive services under IDEA Part C.

## **Key Terms and Definitions**

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- a. *Funding Eligibility:* A Local Educational Agency (LEA) or public agency is eligible to receive IDEA Part B grant funds for a fiscal year if such agency submits a plan to the SEA that assures it will meet each of the conditions outlined in Section 613 of IDEA.
- b. *IDEA Obligation:* Any LEA or public agency that is eligible to receive funding and chooses not to accept IDEA funding remains obligated to ensure compliance with IDEA child find requirements and follow policies and procedures outlined by the

SEA that ensure that a Free Appropriate Public Education (FAPE) is made available in the District to residents ages 3-22 with a qualifying disability under IDEA.

- c. *Local Education Agency*: Pursuant to Section 601 (19) (A), IDEA defines the term Local Educational Agency (LEA) to mean a public board of education or other public authority legally constituted within a State for either administrative control or direction of or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or for such a combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary schools or secondary schools.
- a. *Public Charter Schools*: Pursuant to section 2202(19) of the District of Columbia School Reform Act of 1995, (School Reform Act) approved April 26, 1996 (P.L. 104-134; 110 Stat.1321; D.C. Official Code §38-1802.02(19) (2009 Supp.), each public charter school has been able to elect to either:
  - i. Have the District of Columbia Public Schools (DCPS) serve as its LEA for purposes of Part B of IDEA (a “dependent” LEA); or
  - ii. Serve as the LEA for the purposes of Part B of IDEA (an “independent” LEA).

*Dependent LEAs*: Public charter schools that have elected to have DCPS serve as their LEA for the purposes of Part B of the IDEA are not eligible to receive Section 611 and Section 619 grant funds directly. These public charter schools are considered to be schools within DCPS. In turn, DCPS must comply with the requirements in 34 CFR §300.209(b) regarding the provision of services to students attending these charter schools and the provision of funds to these charter schools.

*Independent LEAs*: A public charter school that has not elected to have DCPS serve as the LEA for the purposes of Part B of the IDEA is eligible to receive IDEA Part B Section 611 and Section 619 grant funds directly and must apply for the funds directly.

- b. *Public Agencies/State agencies*: Pursuant to 34 CFR 300.33, public agency includes the SEA, LEAs, nonprofit public charter schools that are not otherwise included as LEAs and are not a school of an LEA, and any other political subdivisions of the State that are responsible for providing education to children with disabilities.
- c. *Fully Adjusted Counts*: enrollment, poverty and Child Counts are adjusted for new or significantly expanding LEAs.

- d. *Section 611*: IDEA Part B Section 611 grant funds are funds provided to LEAs that serve students between the ages of three through twenty-one through an elementary and/or secondary school.
- e. *Section 619*: IDEA Part B Section 619 grant funds are funds provided only to LEAs that serve students ages three through five.

### **IDEA Part B Section 611 Allocation Formula for Sub-grantees**

Each SEA that receives an IDEA Part B, Section 611 grant for any fiscal year is responsible for distributing all funds not reserved for State-level set-asides, to all LEAs that are established within the State who meet the eligibility requirements outlined in section 613 of IDEA. The SEA must follow the procedures outlined in 20 U.S.C. § 1411 (f) and 34 CFR § 300.705 to calculate LEA's Part B Section 611 award allocations.

Any State agency that desires to receive a sub-grant for any fiscal year under 34 CFR 300.705 must demonstrate to the satisfaction of the SEA that all children with disabilities who are participating in programs and projects funded under Part B receive FAPE and that all parents and children are provided all the procedural safeguards required under Part B and the agency meets the other conditions of Part B, as appropriate.<sup>5</sup>

An LEA's Part B Section 611 award allocation consists of three calculations: (1) a base payment; (2) a population payment; and (3) a poverty payment. Each payment and the data source used to complete the calculation are described in detail below.

- i. *Section 611 Base Payment*: The total portion of the Part B Section 611 grant that the District of Columbia must use to allocate the base payments each year is calculated by the U.S. Department of Education. It is a fixed amount of funding based on the amount the LEAs received if the State had distributed 75 percent of the amount of 611 funds the District of Columbia received in 1999. The LEA base payment is based on the number of students with disabilities being served by that LEA; including students who have been placed in a non-public setting for the purposes of providing FAPE. Because the District of Columbia Public Schools (DCPS) is obligated to ensure the provision of equitable services (34 CFR §300.132(a)), the base payment calculation for DCPS includes those students with disabilities who have been parentally placed in a private school located within the District of Columbia by their parents and are provided special education by the District or have a services plan.

If funds are available after the base payment has been distributed to eligible District of Columbia LEAs, 85 percent of the remaining funds must be allocated on the basis of the relative numbers of children enrolled in

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<sup>5</sup> 34 CFR 300.228

public and private elementary and secondary schools and 15 percent must be allocated on the basis of relative numbers of children living in property, as determined by the State.

1. *Base Payment Adjustments:* Under 34 CFR § 300.705(b)(2), base payment adjustments occur under the following circumstances: (1) a new LEA is created; (2) one or more LEAs merge; (3) the geographic area or administrative responsibilities of two or more LEAs change; or (4) an LEA receives a base payment of zero in its first year of operation, but reports that it serves students with disabilities during the first annual child count in which the LEA participates.

The District of Columbia is unique because it is a single geographic area that is served by numerous independent LEAs. DCPS is a traditional LEA with geographic boundaries and serves all students who meet statutory and regulatory enrollment criteria.<sup>6</sup> Public charter schools have historically been able to elect to be its own LEA for the purpose of Part B of IDEA (independent LEAs) or elected the District of Columbia Public Schools to serve as its LEA for this purpose (dependent LEAs).<sup>7</sup> Independent LEAs serve all students who meet statutory and regulatory enrollment criteria, subject to lottery requirements for charter schools that cannot serve all students who seek to enroll.<sup>8</sup> Thus, DCPS and independent charter LEAs serve the same population of students within the same geographic area.

The number of LEAs in the District of Columbia changes frequently, meaning an event triggering a base payment adjustment generally occurs annually. Typically at least one new public charter LEA opens or closes each year. In addition to this type of event, public charter schools can change their IDEA LEA status annually, i.e., electing DCPS to serve as the charter school's LEA for IDEA purposes.

The Part B regulations state that, when a base payment adjustment is necessary, only the base payments of "affected" LEAs will be adjusted. For example, if a new LEA is created the base payment of any LEA that would have been responsible for serving students attending the new LEA is adjusted. In the District it is not feasible to determine which LEAs would have been responsible for serving students attending a new LEA since all LEAs in the District are required to serve the same population of students.

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<sup>6</sup> See DC Code §38-1802.06

<sup>7</sup> See DC Code §38-1802.10

<sup>8</sup> See DC Code §38-1802.06



As all LEAs are affected by the creation of a new LEA, DCPS, which served as the state education agency prior to the establishment of OSSE, had a policy of adjusting the base payments of all LEAs in the District when an event triggered the need for a base payment adjustment. As a practical matter, this meant the base payment was divided proportionally among all eligible LEAs based on their relative share of students with disabilities ages three through twenty-one. This practice is consistent with allocation methodologies developed for the District of Columbia under other federal education programs:

- Title I, Part A: Under the District of Columbia School Reform Act of 1995 the amount allocated to DCPS (as the sole District of Columbia LEA on the census list) is divided among DCPS and the charter LEAs proportionally based on each LEA's relative share of formula students.

In March 2009, OSSE wrote OSEP regarding the District of Columbia's prior practice of readjusting the base payment for all LEAs when an event met one of the four scenarios outlined in the regulations. OSEP agreed that this was an acceptable approach given the District of Columbia's unique situation. As such, OSSE has continued to make base payments adjustments for all LEAs.

2. *Base Payment and Parentally Placed Students with Disabilities:* As explained previously, within the District of Columbia, DCPS is the only LEA deemed to have geographical boundaries since enrollment to District of Columbia public charter schools is based on a lottery process. As such, the numbers of students with disabilities who have been parentally placed in private schools<sup>9</sup> located within the District of Columbia and are receiving special education and related services pursuant to a service plan are added to DCPS' Child count for the purpose of calculating DCPS' base payment. Public charter LEAs do not receive Part B Section 611 grant funding for these students and are not responsible for implementing the programmatic requirements in IDEA for these specific students.
3. *Base Payment Data Source:* To perform the base payment calculation, OSSE shall use the data collected each year for the federal Child count required by Section 618 of IDEA. As outlined in 34 CFR §300.641,

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<sup>9</sup> Students who are parentally placed in private schools qualify for IDEA services but are not served under IDEA due to a parent's decision. These students are distinct from students who are served under IDEA through a publicly funded placement in a nonpublic special education program.

LEAs are required to report to OSSE the number of students they have enrolled, between the ages of three and twenty-one, who are receiving special education and related services. Unless the LEA is a new or an expanding public charter school,<sup>10</sup> OSSE shall use the Child count data described above from the most recent school year to calculate each LEA's base payment for a given grant year.

4. *Section 611 Base Allocation Calculations:*

- a) OSSE uses the prior year's 3-21 year old Child Count for the current year allocation. (e.g., for the 2015-16 allocation, OSSE uses the 2014 (3-21) Child Count.)
- b) OSSE will then calculate the 3-21 Child Count Rate = 3-21 Child Count (most recent year) (/) 3-21 Enrollment (most recent year).
- c) OSSE will determine which charter schools are new or significantly expanding based on data from the New or Significantly Expanding Public Charter School Notification (NOSEPCS) form submitted to the District of Columbia Public Charter School Board (PCSB). OSSE requests this information from the PCSB by April. (E.g., for the 2015-16 allocation – OSSE uses the April 2015 NOSEPCS.)
- d) If the LEA is new or significantly expanding from the previous year then OSSE will calculate the 3-21 Child Count Adjustment = 3-21 Child Count (most recent year) (-) 3-21 Fully Adjusted Child Count (prior year).
- e) If the LEA is new or significantly expanding for the current year, OSSE will calculate the 3-21 New or Significantly Expanding Estimate = 3-21 New or Significantly Expanding (\*) 3-21 Child Count Rate.
- f) OSSE will then calculate the 3-21 Fully Adjusted Child Count = 3-21 Child Count (most recent year) (+) 3-21 Child Count Adjustment (+) 3-21 New or Significantly Expanding Estimate.
- g) If the LEA is 611 eligible, OSSE will calculate the 611 Base Allocation = 3-21 Fully Adjusted Child Count (/) Total 3-21 Fully Adjusted Child Count for entire district (\*) Total 611 Base Allocation.

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<sup>10</sup> OSSE Guidance for New or Significantly Expanded Charter Schools (April 28, 2010).

ii. *Section 611 Population Payment*: The second calculation is the population payment, commonly referred to as the enrollment payment. The SEA distributes 85 percent of the remaining 611 grant funds to LEAs based on the stipulations described below. This payment is allocated to LEAs based on the relative numbers of students who are enrolled in public and private elementary schools and secondary schools within the LEA's jurisdiction.

1. *Population Payment and Private Schools within the District of Columbia*: As explained above, within the District, DCPS is the only LEA deemed to have geographical boundaries since enrollment to District of Columbia public charter schools is based on a lottery process. As such, the enrollment of private elementary and secondary school students shall be added to DCPS' elementary and secondary population count for the purpose of calculating DCPS' population payment. Public charter school LEAs do not receive Part B Section 611 grant funding for these students and are not responsible for implementing the programmatic requirements in IDEA for these specific students.

2. *Population Payment Data Source*: To perform the population payment calculation, OSSE shall use the number of students ages five through twenty-one, who are enrolled in grades kindergarten through twelfth, or attend a GED program, for which residency and enrollment were verified through the annual Enrollment Audit, which is required by District of Columbia law.<sup>11</sup> Unless the LEA is a new or an expanding public charter school,<sup>12</sup> OSSE shall use the enrollment audit data described above from the most recent school year to calculate each LEA's population payment for a given grant year.

3. *Section 611 Population Allocation Calculations*:

a) OSSE uses the prior year's 5-21 year old public and private school enrollment count for the current year allocation (e.g; for the 2015-2016 allocation, OSSE uses the 2014 enrollment count.)

b) OSSE will determine which charter schools are new or significantly expanding based on data from the New or Significantly Expanding Public Charter School Notification (NOSEPCS) form submitted to the District of Columbia Public Charter School Board (PCSB). OSSE requests this

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<sup>11</sup> See DC Code §38-2906.

<sup>12</sup> OSSE Guidance for New or Significantly Expanded Charter Schools (April 28, 2010).

information from the PCSB by April. (Example: For the 2015-2016 allocation – Use April 2015 NOSEPCS.)

- c) If the LEA is new or significantly expanding from the previous year then OSSE will calculate the 5-21 Enrollment Adjustment = 5-21 Enrollment Count (most recent year) (-) 5-21 Fully Adjusted Enrollment Count (prior year).
  - d) OSSE will then calculate the 5-21 Fully Adjusted Enrollment Count = 5-21 Enrollment Count (most recent year) (+) 5-21 Child Count Adjustment (+) 5-21 New or Significantly Expanding.
  - e) If the LEA is 611 eligible then OSSE will calculate the 611 Enrollment Allocation = 5-21 Fully Adjusted Enrollment Count (/) Total 5-21 Fully Adjusted Enrollment Count for entire district (\*) Total 611 Enrollment Allocation.
- iii. *Section 611 Poverty Payment:* The final calculation is the poverty payment. The SEA distributes 15 percent of the remaining 611 grant funds to LEAs based on the stipulations described below. This payment is allocated to LEAs based on relative numbers of students living in poverty who are enrolled in public and private elementary schools and secondary schools within the LEA's jurisdiction.<sup>13</sup>
- 1. *Poverty Payment and Private Schools within the District of Columbia:* As explained above, within the District of Columbia, DCPS is the only LEA deemed to have geographical boundaries since enrollment to District of Columbia public charter schools is based on a lottery process. As such, the poverty count of private elementary and secondary school students shall be added to DCPS' elementary and secondary poverty count for the purpose of calculating DCPS' poverty payment. Public charter school LEAs do not receive Part B Section 611 grant funding for these students and are not responsible for implementing the programmatic requirements in IDEA for these specific students.
  - 2. *Poverty Payment Data Source:* To perform the poverty payment calculation, OSSE shall use the number of students between the ages of five and twenty-one, who are enrolled in grades kindergarten through twelve who qualify as eligible under the Free and Reduced Priced (FRP) Lunches under the Richard B. Russell National School Lunch Act through either direct

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<sup>13</sup> Verified by OSEP through e-mail (March 10, 2009).

certification to OSSE or through the community eligibility provision. Unless the LEA is a new or an expanding public charter school,<sup>14</sup> OSSE shall use the FRP data described above from the most recent school year to calculate each LEA's poverty payment for a given grant year.

3. *Poverty Payment Data Source for Private Schools within the District of Columbia:* To perform the poverty payment calculation for private schools located within the District of Columbia, OSSE shall use data collected by DCPS bi-annually in accordance with Section 1120(a)(4) of the ESEA.
4. *Section 611 Poverty Allocation Calculations:*
  - a) OSSE uses the prior year's November 5-21 year old poverty count for the current year allocation (e.g; for the 2015-2016 allocation , OSSE uses the November 2014 5-21 poverty count.)
  - b) OSSE will then calculate the 5-21 Poverty Count Rate =  $\frac{5-21 \text{ Poverty Count (most recent year)}}{5-21 \text{ Enrollment (most recent year)}}$ .
  - c) OSSE will determine which charter schools are new or significantly expanding based on data from the New or Significantly Expanding Public Charter School Notification (NOSEPCS) form submitted to the District of Columbia Public Charter School Board (PCSB). OSSE requests this information from the PCSB by April (e.g.; for the 2015-2016 allocation, OSSE uses the April 2015 NOSEPCS data.)
  - d) If the LEA is new or significantly expanding from the previous year then OSSE will calculate the 5-21 Poverty Count Adjustment =  $5-21 \text{ Poverty Count (most recent year)} - 5-21 \text{ Fully Adjusted Poverty Count (prior year)}$ .
  - e) If the LEA is new or significantly expanding for the current year then OSSE will calculate the 5-21 Poverty Count New or Significantly Expanding Estimate =  $5-21 \text{ New or Significantly Expanding (*) } 5-21 \text{ Child Count Rate}$ .

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<sup>14</sup> OSSE Guidance for New or Significantly Expanded Charter Schools (April 28, 2010).

- f) OSSE will then calculate the 5-21 Fully Adjusted Poverty Count = 5-21 Poverty Count (most recent year) (+) 5-21 Poverty Adjustment (+) 5-21 New or Significantly Expanding Estimate.
- g) If the LEA is 611 eligible then OSSE will calculate the 611 Poverty Allocation = 5-21 Fully Adjusted Child Count (/) Total 5-21 Fully Adjusted Child Count for entire district (\*) Total 611 Poverty Allocation.

## II. Part B Section 619 Allocation Formula for Sub-grantees

- a. Each SEA that receives an IDEA Part B, Section 619 grant for any fiscal year is responsible for distributing all funds not reserved for State-level set-asides, to all LEAs (including public charter LEAs) established within the State and found to meet the eligibility requirements outlined in section 613 of IDEA. The SEA must follow the procedures outlined in 20 U.S.C. § 1419 (g) and 34 CFR § 300.816 to calculate LEAs Part B Section 619 award allocations.
- b. An LEA's Part B Section 619 award allocation consists of three calculations: (1) a base payment; (2) a population payment; and (3) a poverty payment. Each payment and the data source used to complete the calculation are described in detail below.
  - i. *Section 619 Base Payment:* The total portion of the Part B Section 619 grant that may be used by OSSE to make the base payment each year is calculated by the U.S. Department of Education. It is a fixed amount of funding based on the amount the LEAs received if the State had distributed 75 percent of the amount of 619 funds the District of Columbia received in 1997. The base payment is allocated to an LEA based on the number of students with disabilities between ages three through five that are being served by that LEA; including students who have been placed in a non-public setting for the purposes of providing FAPE and those students with disabilities who have been parentally placed in a private school located within District of Columbia by their parents and are receiving special education and related services or have a service plan.

If funds are available after the base payment has been distributed to eligible District of Columbia LEAs, 85 percent of the remaining funds must be allocated on the basis of the relative numbers of children enrolled in public and private elementary and secondary schools and 15 percent must be allocated on the basis of relative numbers of children living in property, as determined by the State.

1. *Base Payment Adjustment*: Under 34 CFR § 300.816(b)(1-3), base payment adjustments occur under the following circumstances: (1) a new LEA is created; (2) one or more LEAs merge; (3) the geographic area or administrative responsibilities of two or more LEAs change; or (4) an LEA receives a base payment of zero in its first year of operation, but reports that it serves students with disabilities during the first annual child count in which the LEA participates.

The District of Columbia is unique because it is a single geographic area that is served by more than 40 LEAs. The DCPS is a traditional LEA with geographic boundaries and serves all students who meet statutory and regulatory enrollment criteria.<sup>15</sup> Public charter schools have historically been able to elect to be an independent or dependent LEA for the purposes of Part B of IDEA.<sup>16</sup> Independent LEAs serve all students who meet statutory and regulatory enrollment criteria, subject to lottery requirements for charter schools that cannot serve all students who seek to enroll.<sup>17</sup> Thus, DCPS and independent charter LEAs serve the same population of students within the same geographic area.

The number of LEAs in the District of Columbia changes frequently, meaning an event triggering a base payment adjustment generally occurs annually. Typically at least one new public charter school opens or closes each year. In addition to this type of event, public charter schools can change their IDEA LEA status annually.

The Part B regulations state that when a base payment adjustment is necessary only the base payments of “affected” LEAs will be adjusted. For example, if a new LEA is created the base payment of any LEA that would have been responsible for serving students attending the new LEA is adjusted. In the District of Columbia it is not feasible to determine which LEAs would have been responsible for serving students attending a new LEA since all LEAs in the District of Columbia are required to serve the same population of students.

As all LEAs are affected by the creation of a new LEA, DCPS, the SEA prior to the establishment of OSSE, had a policy of adjusting the base payments of all LEAs in the District when an event triggered the need for a base payment adjustment. As a practical matter, this meant the

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<sup>15</sup> See DC Code §38-1802.06

<sup>16</sup> See DC Code §38-1802.10

<sup>17</sup> See DC Code §38-1802.06

base payment was divided proportionally among all eligible LEAs based on their relative share of children with disabilities ages three through five. This practice is consistent with allocation methodologies developed for the District of Columbia under other federal education programs:

- Title I, Part: Under the DC School Reform Act of 1995 the amount allocated to DCPS (as the sole DC LEA on the census list) is divided among DCPS and the charter LEAs proportionally based on each LEA's relative share of students eligible for formula funding.

In March 2009, OSSE wrote OSEP regarding the District of Columbia's prior practice of readjusting the base payment for all LEAs when an event met one of the four scenarios outlined in the regulations. OSEP agreed that this was an acceptable approach given the District of Columbia's unique situation. As such, OSSE has continued to make base payment adjustments to LEAs.

2. *Base Payment and Parentally Placed Students with Disabilities:* As explained above, within the District of Columbia DCPS is the only LEA deemed to have geographical boundaries since enrollment to District of Columbia's public charter schools is based on a lottery process. As such, the numbers of students with disabilities who have been parentally placed in private schools located within the State and are receiving special education and related services pursuant to a service plan are added to DCPS' Child count for the purpose of calculating DCPS' base payment. Public charter school LEAs do not receive Part B Section 619 grant funding for these students and are not responsible for implementing the programmatic requirements in IDEA for these specific students.
3. *Base Payment Data Source:* To perform the base payment calculation, OSSE shall use the data collected for the annual federal Office of Special Education Programs (OSEP) "618" Child Count data submission each fall. As outlined in 34 CFR §300.641 of IDEA, LEAs must submit to the OSSE the number of students they have enrolled ages three through five, who receive special education and related services. Unless the LEA is a new or an expanding public charter school,<sup>18</sup> OSSE shall use the Child count data described above from the most recent school year to calculate each LEA's base payment.
4. *Section 619 Base Allocation Calculations:*

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<sup>18</sup> OSSE Guidance for New or Significantly Expanded Charter Schools (April 28, 2010).



- a) OSSE uses the prior year's 3-5yr old Child Count for the current year allocation € e.g.; for the 2015-16 allocation, OSSE uses 2014 (3-5) count.)
  - b) OSSE then calculates the 3-5 Child Count Rate = 3-5 Child Count (most recent year) (/) 3-5 Enrollment (most recent year).
  - c) OSSE determines which charter schools are new or significantly expanding based on data from the New or Significantly Expanding Public Charter School Notification (NOSEPCS) form submitted to the District of Columbia Public Charter School Board (PCSB). OSSE requests this information from the PCSB by April. (Example: For the 2015-2016 allocation – Use April 2015 NOSEPCS.)
  - d) If the LEA is new or significantly expanding from the previous year then the OSSE will calculate the 3-21 Child Count Adjustment = 3-5 Child Count (most recent year) (-) 3-5 Fully Adjusted Child Count (prior year).
  - e) If the LEA is new or significantly expanding for the current year then the OSSE will calculate the 3-5 New or Significantly Expanding Estimate = 3-5 New or Significantly Expanding (\*) 3-5 Child Count Rate.
  - f) The OSSE will then calculate the 3-5 Fully Adjusted Child Count = 3-5 Child Count (most recent year) (+) 3-5 Child Count Adjustment (+) 3-5 New or Significantly Expanding Estimate.
  - g) If the LEA is 611 eligible then the OSSE will calculate the 619 Base Allocation = 3-5 Fully Adjusted Child Count (/) Total 3-5 Fully Adjusted Child Count for entire district (\*) Total 619 Base Allocation
- ii. *Section 619 Population Payment:* The second calculation is the population payment, commonly referred to as the enrollment payment. The SEA distributes 85 percent of the remaining 619 grant funds to LEAs based on the stipulations described below. This payment is allocated to LEAs based on the relative numbers of students who are enrolled in public and private elementary schools and secondary schools within the LEA's jurisdiction.
1. *Population Payment and Private Schools within the District of Columbia:* As explained above, within the District of Columbia DCPS is the only LEA deemed to have geographical boundaries since enrollment to District of Columbia's public charter schools is

based on a lottery process. As such, the enrollment of private elementary and secondary school students shall be added to DCPS' elementary and secondary population count for the purpose of calculating DCPS' population payment. Public charter school LEAs do not receive Part B Section 619 grant funding for these students and are not responsible for implementing the programmatic requirements in IDEA for these specific students.

2. *Population Payment Data Source:* To perform the population payment calculation, OSSE shall use the number of students ages five through twenty-one, who are enrolled in grades kindergarten through twelfth, or attend a GED program, for which residency and enrollment were verified through the annual Enrollment Audit, which is required by District of Columbia law.<sup>19</sup> Unless the LEA is a new or an expanding public charter school,<sup>20</sup> OSSE shall use the enrollment audit data described above from the most recent school year to calculate each LEA's population payment for a given grant year.
3. *Section 619 Population Allocation Calculations:*
  - a) OSSE uses the prior year's 5-21 year old enrollment count for the current year allocation. (e.g., for the 2015-2016 allocation – Use 2014 enrollment count.)
  - b) The OSSE will determine which charter schools are new or significantly expanding based on data from the New or Significantly Expanding Public Charter School Notification (NOSEPCS) form submitted to the District of Columbia Public Charter School Board (PCSB). OSSE requests this information from the PCSB by April. (Example: For the 2015-2016 allocation – Use April 2015 NOSEPCS.)
  - c) If the LEA is new or significantly expanding from the previous year then the OSSE will calculate the 5-21 Enrollment Adjustment = 5-21 Enrollment Count (most recent) (-) 5-21 Fully Adjusted Enrollment Count (prior year).
  - d) The OSSE will then calculate the 5-21 Fully Adjusted Enrollment Count = 5-21 Enrollment Count (most recent)

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<sup>19</sup> See DC Code §38-2906.

<sup>20</sup> OSSE Guidance for New or Significantly Expanded Charter Schools (April 28, 2010).

(+) 5-21 Child Count Adjustment (+) 5-21 New or Significantly Expanding.

e) If the LEA is 619 eligible then the OSSE will calculate the 619 Enrollment Allocation = 5-21 Fully Adjusted Enrollment Count (/) Total 5-21 Fully Adjusted Enrollment Count for entire district (\*) Total 619 Enrollment Allocation.

iii. *Section 619 Poverty Payment:* The final calculation is the poverty payment. The SEA distributes 15 percent of the remaining 619 grant funds to LEAs based on the stipulations described below. This payment is allocated to LEAs based on relative numbers of students living in poverty who are enrolled in public and private elementary schools and secondary schools within the LEA's jurisdiction.<sup>21</sup>

1. *Poverty Payment and Private Schools within the District of Columbia:* As explained above, within the District of Columbia DCPS is the only LEA deemed to have geographical boundaries since enrollment to District of Columbia's public charter schools is based on a lottery process. As such, the poverty count of private elementary and secondary school students shall be added to DCPS' elementary and secondary poverty count for the purpose of calculating DCPS' poverty payment. Public charter school LEAs do not receive Part B Section 619 grant funding for these students and are not responsible for implementing the programmatic requirements in IDEA for these specific students.
2. *Poverty Payment Data Source:* To perform the poverty payment calculation, OSSE shall use the number of students between the ages of five and twenty-one, who are enrolled in grades kindergarten through twelve who qualify as eligible under the Free and Reduced Priced (FRP) Lunches 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>22</sup> OSSE shall use the FRP data described above from the most recent school year to calculate each LEA's poverty payment for a given grant year.
3. *Poverty Payment Data Source for Private Schools within the District:* To perform the poverty payment calculation for Private schools located within the District, OSSE shall use data collected by DCPS bi-

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<sup>21</sup> Verified by OSEP through e-mail (March 10, 2010)

<sup>22</sup> OSSE Guidance for New or Significantly Expanded Charter Schools (April 28, 2010).

annually as in accordance with Section 1120(a)(4) of the Title I statute.

4. *Section 619 Poverty Allocation Calculations:*

- a) OSSE uses the prior year's November 5-21 year old poverty count for the current year allocation (e.g.; for the 2015-16 allocation, OSSE uses the November 2014 5-21 poverty count.)
- b) OSSE then calculates the 5-21 Poverty Count Rate = 5-21 Poverty Count (most recent year) (/) 5-21 Enrollment (most recent year).
- c) OSSE will determine which charter schools are new or significantly expanding based on data from the New or Significantly Expanding Public Charter School Notification (NOSEPCS) form submitted to the District of Columbia Public Charter School Board (PCSB). OSSE requests this information from the PCSB by April. (Example: For the 2015-2016 allocation – Use April 2015 NOSEPCS.)
- d) If the LEA is new or significantly expanding from the previous year then the OSSE will calculate the 5-21 Poverty Count Adjustment = 5-21 Poverty Count (most recent year) (-) 5-21 Fully Adjusted Poverty Count (prior year).
- e) If the LEA is new or significantly expanding for the current year then the OSSE will calculate the 5-21 Poverty Count New or Significantly Expanding Estimate = 5-21 New or Significantly Expanding (\*) 5-21 Child Count Rate.
- f) The OSSE will then calculate the 5-21 Fully Adjusted Poverty Count = 5-21 Poverty Count (most recent year) (+) 5-21 Poverty Adjustment (+) 5-21 New or Significantly Expanding Estimate.
- g) If the LEA is 619 eligible then the OSSE will calculate the 619 Poverty Allocation = 5-21 Fully Adjusted Child Count (/) Total 5-21 Fully Adjusted Child Count for entire district (\*) Total 619 Poverty Allocation

### **III. Timeline and Frequency for Part B IDEA Funding Allocation**

- a. Unless the LEA is a new or expanding public charter school, Section 611 and 619 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:
  - i. 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).
  - ii. 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.
  - iii. The first date to submit reimbursements for funds (pending timely Phase II submission and approval) is October 1<sup>st</sup> annually.
- 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 IDEA allocation for the USDE; data elements necessary to perform these calculations are not available; and or multiple LEAs close at once).

### **IV. Monitoring and Oversight**

- a. The data sources and methodology used for making IDEA Part B 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 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.