



DISTRICT OF COLUMBIA

OFFICE OF THE STATE SUPERINTENDENT OF

EDUCATION

Date Issued: June 26, 2017

ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA) STATE ALLOCATION POLICY

Overview

The federal 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).

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, including Titles I-A, II-A, III-A, and IV-A.

The purpose of this policy is to clarify OSSE's administrative procedures regarding allocation and use of ESEA Titles I-A, II-A, III-A, and IV-A funding that the District receives. This policy describes how OSSE determines the SEA set aside calculations and the procedures for calculating and releasing Titles I-A, II-A, III-A, and IV-A formula grants to Local Education Agencies (LEAs).

I. Scope

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

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 of the ESEA, as amended, is to provide all children significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps.

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 of the ESEA, as amended, is to provide grants to State educational agencies and subgrants to local educational agencies to increase student achievement consistent with the challenging State academic standards; improve the quality and effectiveness of teachers, principals, and other school leaders; increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools; and provide low-income and minority students greater access to effective teachers, principals, and other school leaders.

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

The purposes of Title III, Part A of the ESEA, as amended, are to help ensure that English learners, including immigrant children and youth, attain English proficiency and develop high levels of academic achievement in English; to assist all English learners, including immigrant children and youth, to achieve at high levels in academic subjects so that all English learners can meet the same challenging State academic standards that all children are expected to meet; to assist teachers (including preschool teachers), principals and other school leaders, State educational agencies, local educational agencies, and schools in establishing, implementing, and sustaining effective language instruction educational programs designed to assist in teaching English learners, including immigrant children and youth; to assist teachers (including preschool teachers), principals and other school leaders, State educational agencies, and local educational agencies to develop and enhance their capacity to provide effective instructional programs designed to prepare English learners, including immigrant children and youth, to enter all-English instructional settings; and to promote parental, family, and community participation in language instruction educational programs for the parents, families, and communities of English learners.

D. ESEA Title IV-A: Student Support and Academic Enrichment Grants (CFDA Number 84.424)

The purpose of Title IV, Part A of the ESEA is to provide all students with access to a well-rounded education, improve school conditions for student learning, and improve the use of technology in order to improve the academic achievement and digital literacy of all students.

II. Subgrantee Eligibility

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) school with the lowest such percentage that is served with Title I funds (D.C. Code §38-1802.10); and
 - 2) The LEA's K-12 poverty rate for the prior year meets an eligibility threshold of 35 percent or greater (ESEA Section 1113(b)(1)(A)).

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

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.
- c. LEAs must meet the minimum allocation amount of \$10,000 to access Title III
 - i. Funds independently. LEAs have the option of combining funds with other LEAs
 - ii. To meet the minimum requirement by joining a Title III consortium (ESEA Section 3114(b)).

D. ESEA Title IV- A: An LEA is eligible to receive funds if:

- a. The LEA received prior year¹ Title I, Part A allocations and submits an approvable plan to OSSE containing such information that OSSE may require in accordance with ESEA. (ESEA Section 4105(a)(1)).

LEAs must meet the minimum allocation amount of \$10,000 to access Title IV funds independently. LEAs have the option of combining funds with other LEAs to meet the minimum requirement by joining a Title IV consortium (ESEA Section 4105(a)(2-3).

III. State Allocation and State-level Set-Asides

A. ESEA Title I-A

- a. For federal fiscal year 2017, the set-aside for school improvement is the greater of seven percent or the sum of the SEA's federal fiscal year 2016 section 1003(a) reservation and its federal fiscal year 2016 section 1003(g) School Improvement Grant (SIG) Award. Beginning with the federal fiscal year 2018 grant, when making the 1003(a) reservation, an SEA may not reduce the amount of Title I, Part A funds any LEA received the prior year. (ESEA Section 1003(h)) This might limit how much the SEA can reserve under 1003(a). Of this amount, ninety-five percent must be allocated to LEAs to serve schools implementing comprehensive support and improvement activities or targeted support and improvement activities. (ESEA Section 1003(b)(1)(A)).
- b. The SEA may reserve the greater of \$400,000 or one 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 one percent of what the state would receive if 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. At least ninety-five percent of the state allocation from the U.S. Department of Education must be allocated to LEAs (ESEA Section 2101(c)(1)).
- b. Up to five percent of the total state allocation from the U.S. Department of

¹ Pursuant to ESEA Section 4306, new or significantly expanding charter schools may receive Federal funds for which they are eligible based on projected enrollment data.

For more guidance, see <https://www2.ed.gov/policy/elsec/guid/cschoools/cguidedec2000.pdf>

Education may be reserved for state activities (ESEA Section 2101(c)(4)) including state administration. The SEA may reserve up to one percent of the total allocation for administrative costs of carrying out the responsibilities of the grant (ESEA Section 2101(c)(2)).

- c. Up to two percent of total State funding may be reserved for teacher, principal, or other school leader preparation academies (ESEA Section 2101(c)(4)(B)(xii)).

C. ESEA Title III-A

- a. At least ninety-five percent of the state allocation from the U.S. Department of Education must be allocated to LEAs (ESEA Section 3111(b)(1)).
- b. Up to 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)) including state administration.

The state may use 50 percent of the amount reserved for state activities or \$175,000, whichever is greater, to carry out administrative duties (ESEA Section 3111(b)(3)).

- c. For the purpose of providing sub-grants to LEAs that have experienced a significant increase (in the current fiscal year compared to the average of the last two 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)).

D. ESEA Title IV-A

- a. At least ninety-five percent of the state allocation from the U.S. Department of Education must be allocated to LEAs (ESEA Section 4104(a)(1)).
- b. Up to five percent of the total state allocation from the U.S. Department of Education may be reserved for state activities (ESEA Section 4104(a)) including state administration. The SEA may reserve up to one percent of the total allocation for administrative costs of carrying out the responsibilities of the grant (ESEA Section 4104(a)(2)). Funds not allocated to LEAs or reserved for administration may be used for state activities (ESEA Section 4104(a)(3)).

IV. Primary Data for ESEA Title I-A, II-A, III-A, and IV-A Allocations

Allocations to LEAs 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, III-A, and IV-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, III-A, and IV-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.

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)² under the Richard B. Russell National School Lunch Act. OSSE captures free, reduced and paid meals data using a combination of means; one of them is through community eligibility provision (CEP) status and the other is data from direct certification and meal applications (non-CEP schools). Unless the LEA is a new or an expanding public charter school, 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.

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.

2. *K-12 Total Audited 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) Audited 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) Data for Preceding and Upcoming School Years*

² In the District of Columbia, an LEA can determine its free, reduced and paid rate by collecting student level data via meal benefit applications and direct certification or it can operate a special provision, such as the CEP or Provision II. Special provision options reduces administrative burden by allowing schools to be reimbursed using a formula based on participation in another means-tested program. In the District, CEP eligibility is determined based on TANF and SNAP participation, as well as foster care and homelessness status.

This data element is considered for the provision of funding to public charter schools each year which are new or demonstrate a significant expansion³.

V. ESEA Title I – A 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 Program⁴, (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, (4) private school enrollment counts of students provided by the District of Columbia Public Schools, 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 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 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.
- b. The poverty counts for public charter school LEAs are adjusted, as applicable,. For

³ A significant expansion is defined as a public charter school that projects for any academic year an increase in total enrollment, due to a significant event, that is at least equal to 10 percent of the total enrollment for the preceding academic year, or 50 students, whichever is less.

⁴ Data is collected by the OSSE Division of Health and Wellness in November of each year.

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.

- c. For each LEA, the reported K-12 poverty count, the projected increase in K-12 poverty enrollment due to opening or significant expansion, and, for DCPS, the number of private school students, are added together to determine the total K-12 poverty count.

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).

- d. 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)).
- e. This initial allocation for each LEA is then reduced proportionally to remove the seven percent set-aside for school improvement. For federal fiscal year 2017, the set-aside for school improvement is the greater of seven percent or the sum of the SEA's federal fiscal year 2016 section 1003(a) reservation and its federal fiscal year section 1003(g) School Improvement Grant (SIG) Award. Beginning with the federal fiscal year 2018 grant, when making the 1003(a) reservation, an SEA may not reduce the amount of Title I, Part A funds any LEA received the prior year. (ESEA Section 1003(h)) This might limit how much the SEA can reserve under 1003.
- f. 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).
- g. ESEA requires LEAs to calculate reservations (i.e. reservations for administration, parental involvement, and district-wide initiatives) based on the total amount of Title I, Part A funds received by the LEA, prior to any allowable expenditures or transfers (Section 1117(a)(4)(A)). For DCPS, ESSA requires that the proportionate share for equitable services be calculated and set aside prior to the calculation and reservation of these allowable expenditures or transfers.

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 4306(b)).

VI. ESEA Title II-A Allocation Formula Methodology for Sub-grantees

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, and (4) counts of students provided by the District of Columbia Public Schools for equitable services. Beginning in FFY 2017, the FY 2001 LEA hold harmless is completely eliminated.

- a. Twenty percent of funds must be allocated to LEAs based on their relative share of total K-12 enrollment. Eighty percent of the funds must be allocated to LEAs based on their relative share of K-12 poverty count (ESEA Section 2102(a)).
- 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.

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 4306(b)).

VII. ESEA Title III-A Allocation Formula Methodology for Sub-grantees

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)).

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

- f. 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)).

VIII. ESEA Title IV-A Allocation Formula Methodology for Sub-grantees

The SEA awards subgrants to LEAs by formula in the same proportion that the LEAs’ prior year’s Title I, Part A allocations bears to the total amount received by all LEAs. For new LEAs, the SEA will make an initial allocation to eligible charter schools based on projected enrollment data (34 CFR §76.789(b)(2)).

No LEA may receive a Title IV, Part A sub-grant of less than \$10,000 (ESEA Section 4105(a)(2)). For an LEA where the allocations would be of less than \$10,000, the LEA may only access Title IV funds by joining a consortium with other LEAs.

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.

IX. Timeline and Process for ESEA Title I-A, II-A, III-A, and IV-A Allocations

a. Unless the LEA is a new or expanding public charter school, all ESEA Title I-A, II-A, and III- A award allocations for an upcoming grant cycle will be calculated using data collected in the prior school year. The data elements utilized for ESSA Title IV, Part A allocations includes the funds the LEA received under subpart 2 of part A of title I for the preceding fiscal 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:

- OSSE aims to release Phase I of the Consolidated Application by June 1. LEAs have until June 30 to complete Phase I.

The first date to obligate funds, pending timely submission and approval of Phase I of the Consolidated Application, is July 1 (the beginning of the federal fiscal year).

- OSSE aims to release the Phase II application by July 31. LEAs have until September 30 to complete Phase II.

The first date to submit reimbursements for funds, pending timely submission and approval of Phase II of the Consolidated Application, is October 1.

- LEAs with ESEA allocations that do not have a fully approved Phase II application by December 31 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 ESEA Section 1126(c).

c. The Elementary and Secondary Education Act (ESEA) Section 1127(a) limits the amount of Title I, Part A funds an LEA may carry over to not more than 15 percent of the total allocated to the LEA for that fiscal year.⁵

⁵ A State educational agency may waive the 15% limitation once every 3 years if—(1) the SEA determines that the LEA request is reasonable and necessary; or (2) supplemental appropriation funds are made available. (ESEA Section 1127(b)).

- d. The data sources used for making ESEA grant allocations is reviewed by a minimum of two different individuals within OSSE to ensure accuracy.
- e. Each LEA's preliminary and final allocation is reviewed by a minimum of two individuals before the SEA finalizes the release and acts upon sub-grantee award information.
- f. Once each LEA's Phase II consolidated application is submitted, a minimum of two individuals reviews the submission and subsequent reimbursement requests for allowability.
- g. 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).

X. Monitoring and Oversight

- a. All sub-grantees will be subject to relevant monitoring and oversight to ensure compliance with federal and local requirements.
- b. OSSE's intent is to support LEAs with addressing identified noncompliance when it is initially identified. In the case that a subgrantee fails to comply with requirements, OSSE may impose additional conditions on the grant, in accordance with EDGAR Section 200.207.
- c. If OSSE determines that noncompliance cannot be remedied by imposing additional conditions, OSSE may take additional actions as deemed appropriate, in accordance with EDGAR sections 200.338 and 200.239.