

# ESSA FUNDING FORMULAS

## REFERENCE MANUAL

*FORMULAS AND PROCEDURES*

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# Introduction

When enacted, the Elementary and Secondary Education Act of 1965 (ESEA), Public Law (P.L.) 89-10, authorized federal grants for the following:

- Elementary and secondary school programs for children of low-income families
- School library resources, textbooks, and other resources instructional materials for school children
- Supplementary educational centers and services
- Strengthening state education agencies (SEAs)
- Educational research and research training

After numerous reauthorizations every three or five years, the 107<sup>th</sup> Congress enacted P.L. 107-110 on January 8, 2002, to “close the achievement gap with increased accountability, flexibility, and choice, so that no child is left behind.” This reauthorization of ESEA is known as the No Child Left Behind Act of 2001 (NCLB).

On December 10, 2015, the 114<sup>th</sup> Congress enacted P.L. 114-95. This reauthorization of ESEA is titled the Every Student Succeeds Act (ESSA) and replaces NCLB beginning with federal grant funds allocated for the 2017–2018 school year.

The US Department of Education (USDE) allocates ESSA grant program funds from Congressional appropriations by statutory formula. Within USDE, the Institute of Education Science’s National Center for Education Statistics (NCES) formulas use Common Core of Data (CCD) data collections from states, along with data supplied by the Census Bureau (census data), to drive many of these federal formula calculations.

This document addresses the Texas formula allocation process for the following currently funded federal program grants related to ESSA and associated with TEA’s eGrants ESSA Consolidated Application:

- Title I – Improving the Academic Achievement of the Disadvantaged
  - Part A – Improving Basic Programs Operated by Local Educational Agencies (LEAs)
  - Part C – Education of Migratory Children
  - Part D Subparts 1 and 2 – Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or At-Risk
- Title II – Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders
  - Part A – Supporting Effective Instruction
- Title III – Language Instruction for English Learners and Immigrant Students
  - Part A – English Language Acquisition, Language Enhancement, and Academic Achievement Act
- Title IV – 21<sup>st</sup> Century Schools
  - Part A – Student Support and Academic Enrichment Grants

## Census Bureau Data

The Census Bureau's Small Area Income and Poverty Estimates (SAIPE) program provides annual estimates of income and poverty statistics for all school districts, counties, and states. The main objective of this program is to provide estimates of income and poverty for the administration of federal programs and the allocation of federal funds to local jurisdictions.

The SAIPE program produces the following county and state estimates:

- Total number of people in poverty
- Number of children under age 5 in poverty (for states only)
- Number of related children ages 5 to 17 in families in poverty
- Number of children under age 18 in poverty
- Median household income

In addition, in order to implement provisions under Title I, Part A of ESEA as amended, the SAIPE program produces the following estimates for state school districts:

- Total population
- Number of children ages 5 to 17
- Number of related children ages 5 to 17 in families in poverty

These estimates are neither direct counts nor direct estimates from sample surveys. Instead, for counties and states, mathematical models create income and poverty estimates by combining survey data with population estimates and administrative records. For school districts, SAIPE uses model-based county estimates and inputs from federal tax information and multi-year survey data to produce estimates of school age children from families residing within school district boundaries.

Find additional information about SAIPE and its role in the federal formula allocation process at <http://www.census.gov/did/www/saipe/index.html>.

# Charter LEAs and Inter-District Transfer Data

The federal grant formula allocation procedure for Title I, Part A and Title II, Part A allocates funding to eligible LEAs based on Census Bureau ages 5–17 population and poverty estimates. Because census data only accounts for school district LEAs with fixed state-defined geographic boundaries (resident LEAs), current formulas must adjust these counts and corresponding allocation amounts to account for other eligible LEAs, such as charter school LEAs, that draw their student enrollments from traditional school districts. In addition to adjusting formula children and gross allocation amounts for eligible LEAs not on the Census Bureau list from resident LEAs, the formula allocation procedures for these two grant programs must account for inter-district formula children transfers between resident LEAs.

The annual Texas Student Data System (TSDS) PEIMS Fall Data Collection will be the data source for student transfers to charter LEAs and student transfers between district LEAs. Student counts extracted from this data collection and used to derive census poverty and population formula children counts are:

- Attending and residing LEA ages 5-17 economic disadvantage coded student aggregates counted in average daily attendance (low-income).
- Attending and residing LEA ages 5-17 student enrollment aggregates counted in average daily attendance (enrollment).

Note: All LEAs are responsible for the accuracy of their student data submitted in TSDS PEIMS by Student Information System (SIS) vendors. Once the Fall Data Collection has been certified and released for use by these federal statute formula grant allocation procedures, updates to student counts used to determine LEA eligibility and allocation amounts by formula may not be approved or accommodated.

## Data Sources used to Derive Census Poverty and Population Transfer Equivalents

The US Department of Education (USDE) approved method of deriving census poverty and population formula children transfer counts between LEAs (district to district, district to charter) requires the use of resident district LEA transfer equivalents. The transfer equivalent (that is, the number of census poverty and population counts transferring out of a resident district LEA) is determined as follows:

- For each resident district LEA, create a low-income factor by dividing the resident district LEA's ages 5-17 census poverty count by the total ages 5-17 student low-income count residing within the resident district LEA. Census poverty counts transferring out of the district LEA equals the number of student low-income counts transferring out times this low-income factor.
- For each resident district LEA, create a population factor by dividing the resident district LEA's ages 5-17 census population count by the total ages 5-17 student enrollment count residing within the resident district LEA. Census population counts transferring out of the district LEA equals the number of student enrollment counts transferring out times this population factor.

## **Title I, Part A: Improving Basic Programs Operated by LEAs**

Under the initial authorization of ESEA, USDE allocated Title I program funds to states through two statutory formulas, Basic Grants and Concentration Grants. States were directed to distribute those allocations to counties based on eligible populations within their counties. In 1974, to better meet the intent of Congress, USDE was directed to create county allocations for states. The 1994 reauthorization of ESEA as the Improving America's Schools Act of 1994 (IASA) was a major update to ESEA and in addition to directing USDE to create Title I, Part A allocations for all state LEAs, it introduced two additional Title I, Part A grants, Targeted Grants and Education Finance Incentive Grant (EFIG). While statute now included four grants as part of Title I, Part A, authorized appropriation increases under IASA funded grants under Part C (Migrant Education) and Part D (Neglected and Delinquent) grant programs leaving Targeted Grants and EFIG under Part A unfunded. The reauthorization of ESEA as amended under IASA as NCLB moved several grants under Title II, Part A as hold-harmless funding to LEAs but more importantly, appropriations for Part A of Title I were substantially increased so that Part A Targeted Grants and EFIG were now funded by the increased appropriation amounts authorized in statute for Title I, Part A.

The reauthorization of ESEA under ESSA continues this directive and allocation process to states and state LEAs. Title I, Part A allocations continue include eligible funding from funds appropriated for Basic Grants, Concentration Grants, Targeted Grants and EFIG.

When determining these allocations, USDE uses the most current Census Bureau's school district poverty and population estimates based on school district geographic boundaries; state per-pupil expenditures; and updated caseload data for children in locally operated institutions for neglected and delinquent children, foster homes, and families above poverty that receive assistance under the TANF program.

USDE then releases state-specific LEA formula children and resulting gross allocations to states. For Texas, this includes within school district boundary:

- Formula children
  - Ages 5–17 census poverty counts
  - Prorated foster counts
  - Neglected counts
- Ages 5–17 census population counts
- Calculated formula children percentage
- Eligible Title I, Part A allocations from:
  - Section 1124 – Basic Grants to local education agencies,
  - Section 1124A – Concentration Grants to local education agencies,
  - Section 1125 – Targeted Grants to LEAs, and
  - Section 1125A – Education Finance Incentive Grant Program

Also included in this data is a special record containing the delinquent formula children counts and the calculated allocations from the Basic, Concentration, Targeted, and EFIG grant appropriations. These counts and amounts determine eligibility for and fund the Title I, Part D, Subpart 2 grant.

Note: USDE's Title I, Part A allocation formulas must adhere to statutory hold-harmless provisions when calculating and adjusting initial gross allocations from Congressional appropriations. Percentage increases or decreases in Congressional appropriations will not directly relate to a similar percentage increase or decrease to either a state total Title I, Part A allocation or resultant eligible LEA allocations for Basic, Concentration, Targeted, and EFIG within that state total allocation.

## **Title I, Part A Grant Eligibility**

Eligibility for Basic Grants is as follows:

- At least 10 formula children, and
- The number of formula children must exceed 2% of the LEA's total census population ages 5–17, inclusive.

Eligibility for Concentration Grants is as follows:

- Be eligible for a Basic Grant, and
- The number of formula children must exceed 6,500 or exceed 15% of the LEA's total census population ages 5–17, inclusive.

Exception: Once eligible, a LEA is guaranteed its Concentration hold-harmless amount for four consecutive years even if it is no longer eligible.

Eligibility for Targeted Grants is as follows:

- At least 10 formula children, and
- The number of formula children must exceed 5% of the LEA's total census population ages 5–17, inclusive.

Eligibility for EFIG Grants is as follows:

- At least 10 formula children, and
- The number of formula children must exceed 5% of the LEA's total census population ages 5–17, inclusive.

## **Title I, Part A Hold-Harmless Provision**

Each of the four statutory formula grants requires that no eligible LEA receive less than 85, 90, or 95 percent of the grant amount it received in the preceding year. LEAs with calculated grant amounts below their hold-harmless threshold amounts are increased to their hold-harmless amounts by ratably reducing all LEA grant calculated amounts above hold-harmless. A LEA's hold-harmless percentage is determined by calculating a formula children percentage for the LEA (LEA formula children divided by LEA ages 5–17 census population times 100). LEAs whose formula children percentage is:

- More than 30% are 95% hold-harmless
- Between 15% and 30% are 90% hold-harmless
- Less than 15% are 85% hold-harmless

Notes:

- When an LEA's current period data does not generate an allocation greater than its hold-harmless amount, the LEA's allocation will be lower than the prior year, based on the applicable hold-harmless percentage.

- The hold-harmless provision does not apply to the Basic, Targeted, or EFIG grants when LEAs lose eligibility for that particular grant. Thus, if a LEA loses eligibility for one or more of these 3 grants, allocation amounts and final funding amounts calculated by both USDE and state formulas will be significantly lower when compared to prior year amounts received.

Because of the creation of new LEAs and the existence of charter LEAs that do not have fixed, state-defined, geographic boundaries, the list of LEAs used by USDE to determine LEA allocations will not match the current list of LEAs in Texas. USDE requires that TEA Title I, Part A formulas must adjust their allocations to:

- Account for eligible charter LEAs serving formula children that reside within school district boundaries.
- Account for inter-district formula children transfers that reside within other school district boundaries.
- Extract up to 7% of the total Title I, Part A state allocation from LEAs for school improvement activities under ESEA Section 1003.
- Extract up to 1% of the total Title I, Part A state allocation from LEAs for state administration expenses under ESEA Section 1004.
- Maintain Statutory hold-harmless thresholds for all LEAs throughout the process.

## **Deriving Additional Title I, Part A Formula Children**

### **Prorated Foster Counts**

USDE formulas prorate county based foster children counts to resident district LEAs. LEA reported foster counts from a resident district LEA are prorated to not exceed the resident district LEA's total count assigned by USDE formulas.

### **Neglected Counts**

USDE formulas aggregate state reported (eGrants SC9000 data collection) neglected counts to the district LEA where the facility is located. These within district facility counts and funding amounts generated by USDE formulas are subsequently transferred to LEAs serving those counts if not the actual district LEA where the facility is located. These Neglected Share amounts are earmarked for serving students at these reported facilities and if the LEA is not serving any facility in the current funding year or the facility is closed, funding may be retained by the state for potential transfer to other LEAs serving neglected facilities that the students may have been transferred to.

### **Formula Children**

The number of formula children equals the sum of the LEA's census poverty equivalents, prorated foster, and neglected counts after accounting for charter LEAs and inter-district student transfers from census district of residence LEAs.

### **Formula Children Percentage**

The percentage of formula children equals the LEA's total number of formula children divided by the LEA's total ages 5–17 census population times 100.

## **Adjusting USDE Title I, Part A Formula Allocations for LEAs**

The LEA's total formula children and formula children percentage determines the LEA's overall eligibility for each of the four Title I, Part A grants listed above. For each grant the LEA is determined eligible for:

- The LEA's allocation amount is determined using the following formula (Note: this calculation is repeated separately for each LEA)
  1. Divide the number of the LEA's formula children that transferring from the census district LEA by the census district LEA's total formula children.
  2. Multiply the result by the census district LEA's formula allocation amount.
- Census district LEA formula children are subsequently reduced by the number of formula children transferring to other LEAs. If the LEA is also eligible for the grant, corresponding census district grant amounts are transferred to the LEA too. Overall formula children, formula children percentages and eligibility for each of the Title I, Part A grants are then recalculated for each census district LEA impacted by charter LEAs and inter-district student transfers.

After all LEA adjustments have been made, each LEA's individual grant allocations are compared to their prior year eligible hold-harmless amounts for those grants. Those LEAs that remain eligible for each of the grants with amounts below hold-harmless are increased to their hold-harmless amount by ratably reducing the grant amounts from all LEAs above hold-harmless.

## **Extracting up to 7% of the Title I, Part A Formula Allocation for Section 1003 School Improvement Activities**

Section 1003 of the ESSA requires the state to reserve up to 7% of the total state Title I, Part A allocation to fund school improvement activities. However, when extracting this funding, no LEA can be brought below 100% of their prior year total eligible Title I, Part A amount. This means that only those LEAs above 100% of their prior year total eligible amount (after all the hold-harmless adjustments referenced above) are ratably reduced.

If the full 7% amount cannot be extracted while maintaining this definition of hold-harmless, the grant funding amount for Section 1003 school improvement activities must be reduced to equal exactly the amount extracted by formula.

## **Extracting up to 1% of the Title I, Part A Formula Allocation for State Administration**

Section 1004(a) of ESEA allows states to reserve not more than 1% of the total state Title I, Part A allocation for state administration. When reserving these funds, LEAs are ratably reduced while maintaining their individual minimum hold-harmless funding amounts.

There is an exception to the 1% state reservation amount. When the total appropriation for grant allocations under Part A, Part C (Migrant Education) and

Part D Subpart 1 of Title I exceeds \$14 billion nationally, a cap on state administration in Section 1004(b) of ESEA applies. USDE formulas calculate each state's allocation for these grants had exactly \$14 billion been appropriated and provides a table of these total state allocation amounts. The amount a state may now extract and reserve for state administration under Title I, Part A is up to 1% of this amount.

The LEA's Title I, Part A grant amount is the sum of each grant amount the LEA is eligible for after these three statutory hold-harmless adjustment procedures.

Find additional information about a state's responsibility when adjusting USDE Title I, Part A allocations at

<http://www.ed.gov/programs/titleiparta/seaguidanceforadjustingallocations.doc>.

## **Title I, Part A Formula Allocation Data Release Schedule**

### **Planning Amounts**

Planning amounts are formula-derived estimates for LEA budget planning purposes.

USDE releases preliminary Title I, Part A formula data and allocation amounts for the upcoming school year in the spring of the current school year. These preliminary formula allocation amounts are based on:

- Updated Congressional budgeted appropriation data when released by the Office of Management and Budget (OMB), and
- Updated census estimates of LEA ages 5-17 population and poverty counts used in USDE formula allocation calculations.

Because USDE formulas have not been updated with non-census and state reported formula data, these preliminary gross allocations will change and are almost always higher than the LEA's actual revised planning amount and final amount. TEA formulas utilize this data along with updated PEIMS LEA data when estimating eligibility for and calculating Title I, Part A Planning amounts.

These planning amounts are estimates. Eligibility, hold-harmless funding levels, and amount of funding an LEA will ultimately receive will be recalculated when USDE releases updated data along with the state's Grant Award Notification (GAN). This event typically occurs late June or early July and coincides with the start of the grant award period on July 1.

### **Revised Planning Amounts**

After USDE releases final Title I, Part A formula children data, gross allocations for the Basic, Concentration, Targeted, and EFIG grant components, and the state receives its first federal Title I, Part A GAN, TEA formulas recalculate each LEA's eligibility for and formula grant amounts for Title I, Part A. These updated amounts are released as Revised Planning amounts. They are not Final amounts because:

- Title I, Part A grants are funded across two federal Congressional budget periods with the majority of the funding coming from the next federal budget year that begins on October 1<sup>st</sup>. Any changes to either this Congressional budget or a state's reported formula data used by USDE when calculating allocations from the budgeted appropriations, will require that USDE

recalculate and release revised allocations and GANs. States are subsequently required to recalculate and adjust any and all impacted Title I, Part A grant awards to eligible LEAs.

- The Charter School Expansion Act of 1998 (P.L. 105-278) requires that new and significant expansion charter school LEAs receive the federal grant funds they are determined eligible for within 5 months of first opening or experiencing a significant expansion event.

The TEA formulas typically withhold the lesser of 3.0% or \$300,000 from each LEA with a projected calculated final amount above its statutory hold-harmless amount when releasing revised planning amounts. For most, if not all LEAs, this reservation of funding is adequate to cover the recalculation of LEA entitlements and statutory adjustments when additional formula children data is included from new and significant expansion charter school LEAs. It does not guarantee that an LEA will not see a decrease in final funding when final amounts are calculated and released in the fall. District LEAs are impacted directly by LEAs serving students within their boundaries and all LEAs are impacted by the hold-harmless adjustments required by the statutory formula.

Note: Because the TEA's ESSA Consolidated Application includes grant funding amounts for the other grants included within this document, and new and significant expansion charter school LEAs updated data may impact several of these grant funding amounts to LEAs, revised planning amounts for these grants also include a 3.0% reduction from each eligible LEA.

### **Final Amounts**

The final calculation of formula grant amounts begins after November 1st of the current school year for the federal funding grant period that started on July 1st. New and significant expansion charter school LEAs have until this date to submit and certify actual enrollment data through the eGrants SC5050 data collection in order to receive any eligible funding from these federal fiscal year grant funds.

The formula calculated amounts from this calculation becomes each LEA's Final amount for this grant funding period and is recalculated only if USDE determines that a significant event occurred that requires their recalculation and release of updated formula funding to states.

For new and significant expansion charter school LEAs submitting and certifying eGrants SC5050 enrollment data after November 1 and prior to February 1 of the school year:

- Eligible gross allocations and allocation adjustments to impacted district LEAs are calculated.
- These allocation adjustments will be included as additional allocation funding adjustments when formulas begin calculating new funding amounts from the next fiscal year appropriations.

## **Title I, Part C: Education of Migratory Children**

The Migrant Education Program (MEP) provides formula grants to state educational agencies to establish and improve education programs for migratory children. These grants assist states in improving educational opportunities for migratory children to help them succeed in the regular school program, meet the same state academic content and student academic achievement standards that all children are expected to meet, and graduate from high school. One important difference with MEP is that it is operated directly by the state rather than as a pass-through program to LEAs.

### **New Generation System (NGS)**

NGS is a web-based interstate information network that communicates demographic, educational, and health data on migrant students to educators throughout the nation. For Texas, data extractions from NGS drive MEP formula funding to eligible LEAs serving migrant students based upon classifications and needs.

Find additional information about the NGS at <https://ngsmigrant.com/index.asp>.

### **Allocation of Title I, Part C Migrant Formula Grant Awards to LEAs**

After subtracting funding for state administration and discretionary state activities from the state GAN amount from USDE, remaining funds are allocated to LEAs with:

- 40% based on NGS Priority for Service (PFS) classification counts.
- 55% based on NGS Number and Needs indicator counts with:
  - 2.5% based on students having no need/risk indicators
  - 21.4% based on students having 1 or 2 need/risk indicators
  - 25.5% based on students having 3 or 4 need/risk indicators
  - 5.6% based on students having more than 4 need/risk indicators
- 5% based on weighted counts of the LEA's availability of Other Sources of Funding (OSF). LEAs with low or moderate available funds from Title I, Part A, Title III, Part A and State Compensatory Education funding formulas are weighted more than LEAs with high or extensive availability of the other sources of funding.

LEA counts for each of the components aggregated at the state level create a state-wide per-pupil amount from the component allocation amount. Eligible LEA component counts times the calculated component per-pupil amount equals each LEAs component funding amount.

The LEA's Title I, Part C Migrant grant amount equals the sum of each component funding amount for which the LEA is eligible.

# **Title I, Part D: Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk**

## **Subpart 1—Allocations to State Agency LEAs:**

Each calendar year, two state-defined special LEAs (Texas Juvenile Justice Department (TJJD) and Windham School District) report enrollments through the eGrants SC9010 – Survey of Children in State Agency Facilities for Neglected or Delinquent Children, Adult Correctional Facilities, or Community Day Programs for Neglected or Delinquent Children data collection. This data is subsequently sent to USDE and utilized by USDE formulas when determining Title I, Part D, Subpart 1 formula based allocations to states.

## **Subpart 1—Formula Distribution**

Enrollment counts aggregated at the state level create a state-wide per-pupil amount from the Title I, Part D, Subpart 1 grant awarded to Texas.

TJJD and Windham grant amounts equals their reported enrollment counts times the per-pupil amount.

## **Subpart 2—Allocations to District and Charter LEAs**

Each calendar year, district and charter LEAs report counts of students being served at residential facilities for neglected and delinquent children through the eGrants SC9000–October Caseload Counts of Neglected and Delinquent Residential Facilities data collection. This data is subsequently sent to USDE and utilized by USDE formulas when determining Title I, Part A formula based allocations to states for the upcoming funding year.

Initially, the USDE calculation of Title I, Part A includes delinquent counts as part of the formula children that derives Basic, Concentration, Targeted, and EFIG allocations to Texas’s district LEAs based on geographic boundaries. When released to states, USDE formulas have extracted and report the delinquent counts and associated allocations as Title I, Part D, Subpart 2 grant allocations. Remaining Title I, Part A allocations related to census poverty, foster, and neglected formula children counts are distributed to eligible LEAs by the Title I, Part A formula referenced above.

## **Subpart 2—Eligibility and Formula Distribution**

Eligibility:

- Serving 10 or more delinquent students at residential facilities for neglected and delinquent children (see eligibility requirements for Title I, Part A Basic, Concentration, Targeted and EFIG grants).

Formula Distribution:

- Delinquent counts from eligible LEAs aggregated at the state level create a state- wide per-pupil amount from the Title I, Part D, Subpart 2 grant award.

The LEA's Title I, Part D, Subpart 2 grant amount equals its eligible delinquent count times the calculated per-pupil amount.

Note: USDE formulas aggregate state reported (eGrants SC9000 data collection) delinquent counts to the district LEA where the facility is located. These within district facility counts and funding amounts generated by USDE formulas are subsequently transferred to LEAs serving those counts if not the actual district LEA where the facility is located. These Title I, Part D Subpart 2 amounts are earmarked for serving students at these reported facilities and if the LEA is not serving the facility in the current funding year or the facility is closed, funding is retained by the state for potential transfer to LEAs serving facilities that students maybe located at from the prior year counts.

## **Title II, Part A: Supporting Effective Instruction**

The Improving Teacher Quality (ITQ) Act was enacted as Title II of NCLB to provide grants to LEAs, eligible partnerships, individuals, and nonprofit organizations to:

- Increase academic achievement by improving teacher and principal quality, and
- Increase the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools.

In addition, ITQ seeks to hold LEAs and schools accountable for improvements in academic achievement, ensuring that all those teaching core academic subjects in public elementary and secondary schools are highly qualified.

Originally established in 1965 under ESEA as the Eisenhower Professional Development (EPD) program, ITQ was combined with the Class Size Reduction (CSR) program and reauthorized as Part A of Title II under NCLB and called the Teacher and Principal Training and Recruiting Fund.

Under the NCLB authorization of the ESEA, USDE allocated Title II, Part A program funds to states through three funding components:

- State hold-harmless funds from Title II, Part B grants under the Improving America's Schools Act of 1994 (P.L. 103-382).
- State hold-harmless funds from Title VI – Class Size Reduction grants under the Improving America's Schools Act of 1994 (P.L. 103-382).
- Additional funds from Congressional appropriations exceeding amounts needed for the above based on state ages 5-17 Census Bureau estimates of poverty and population.

State formula then distributed the funding to district LEAs as LEA based hold-harmless amounts for Title II, Part B and Title VI – CSR along with any additional funds based on the district LEAs ages 5-17 census poverty count (80%) and census population count (20%). Eligible charter and special LEAs serving formula children residing within these district LEA boundaries received a proportionate share from each district LEA's allocations based on formula eligibility and the number of formula children attending the charter LEA.

The reauthorization of ESEA under ESSA continues this directive and allocation process to states except that hold-harmless funding to states from Title II, Part B and Title VI – CSR will be phased out over a seven year period (14.29% per year reduction). Any additional funds available will then be distributed to states based on state ages 5-17 census poverty counts (initially 65% increasing 5% annually to 80% after four years) and ages 5-17 census population counts (initially 35% decreasing 5% annually to 20% after 4 years). Census data is updated and released to USDE annually in December by the Census Bureau. USDE formulas then use these census counts when allocating Title II, Part A funding to states.

## **Allocation of Title II, Part A Funds to LEAs**

Under ESSA, the state formula now distributes the funding received to LEAs based solely on the LEA's ages 5-17 census poverty (80%) and census population (20%) counts (see the section labeled Charter LEAs and Inter-District Transfer Data for the procedure used to create ages 5-17 census poverty and population equivalents for all LEAs).

## **Title II, Part A Eligibility and Formula Distribution**

Title II, Part A formula amounts are now:

- Based on ages 5–17 census poverty and population derived allocation amounts (per pupil based on census data applicable to current year federal grants).

The LEA's Title II, Part A grant amount is the sum of its eligible ages 5-17 census poverty and population amounts calculated by the formula.

Note: In the first year of the Title II, Part A formula funding under ESSA (SY 2017-2018), many LEAs saw a decrease in funding due to the elimination of historical LEA hold-harmless amounts established by the NCLB formula in 2002. On the contrary, other LEAs saw significant increases in funding once these amounts based on 2002 data were eliminated. Going forward, LEA amounts will fluctuate annually now based on census data used in USDE formulas and the amount of funding the state receives based on Congressional appropriations.

## **Title III, Part A: English Language Acquisition, Language Enhancement, and Academic Achievement Act**

Under the NCLB authorization of the ESEA, USDE allocated Title III, Part A program funds to states on a proportionate share basis with:

- 80% based on the number of LEP counts in the State compared to the number of LEP counts in all States, and
- 20% based on the number of Immigrant counts in the State compared to the number of Immigrant counts in all States.

The state then distributed, not less than 95% of the funding received, to eligible LEAs by formula of which not more than 15% of the state allocation to be allocated from the 95% amount by formula based on Immigrant counts and the remaining amount based on LEP counts.

Note: A statute based limitation restricted the SEA from awarding Title III, Part A grants to eligible LEAs that were less than \$10,000.

The reauthorization of ESEA under ESSA continues this directive and allocation process to states including the Title III, Part A \$10,000 award amount limitation. Title III, Part A funding to States continues to be allocated proportionately with 80% based on State ELL (wording change from LEP) counts and the remaining 20% based on State Immigrant counts. States are still required to reserve not less than 95% of funding reserved for subgrants to eligible LEAs of which not more than 15% of the state allocation to be allocated from the 95% by formula based on Immigrant counts and the remaining amount by formula based on ELL counts.

### **Title III, Part A English Language Learner Eligibility and Formula Distribution**

Eligibility:

- Serving one or more English Language Learner (ELL) students in the fiscal year preceding the fiscal year for which the subgrant is made. District and charter LEA ELL student counts are from the current PEIMS fall data collection along with ELL student counts served by districts and reported on the prior year eGrants PS3099 - Private School Services data collection schedules.

Formula Distribution:

- ELL student counts aggregated at the state level create a state-wide per-pupil from the ELL grant allocation amount.

The LEA's Title III, Part A ELL grant amount equals its eligible ELL student count times the calculated per-pupil amount.

Note: Because statute requires that LEA award amounts must be greater than \$10,000 in order for the LEA to apply for funding, LEAs whose funding amounts are below this amount must join a shared services arrangement (SSA) so that the aggregate funding for the fiscal agent LEA is greater than the \$10,000 threshold amount.

## **Title III, Part A Immigrant Eligibility and Formula Distribution**

LEAs are eligible to receive funding from the Immigrant grant allocation by meeting one of two eligibility determination methods.

### **Eligibility Method 1: Significant Increase in *Number* of Immigrant Students**

- District LEA immigrant student counts are from the current and previous two years PEIMS fall and eGrants PS3099 - Private School Services data collection schedules. Charter LEA immigrant student counts are from the current and previous two years PEIMS fall data collections.
- A prior year average number is calculated from the two previous year student counts. This average is subtracted from current immigrant students reported and the difference must be a significant increase.
- A “significant increase” of immigrant students for an LEA to qualify for immigrant funds using this method equals an increase of 100 or more immigrant students.

### **Eligibility Method 2: Significant Increase in *Percentage* of Immigrant Students**

- District LEA immigrant student counts are from the current and previous two years PEIMS fall and eGrants PS3099 - Private School Services data collection schedules. Charter LEA immigrant student counts are from the current and previous two years PEIMS fall data collections.
- A prior year average number is calculated from the two previous year student counts. This average is subtracted from current immigrant students reported to create a difference. The difference divided by the prior year average equals a percentage increase or decrease.
- A “significant increase” of immigrant students for an LEA to qualify for immigrant funds using this method equals a percentage increase of 50% or more and the current year immigrant student count must be 30 or more.

## **Formula Distribution**

Current-year Immigrant student counts from eligible LEAs aggregated at the state level create a state-wide per-pupil amount from the Immigrant grant allocation.

The eligible LEA’s Title III, Part A Immigrant grant amount equals its eligible immigrant student count times the calculated per-pupil amount.

## **Title IV, Part A: Student Support and Academic Enrichment Grants**

Under the NCLB authorization of the ESEA, USDE allocated Title IV, Part A – Safe and Drug-Free Schools and Communities program funds to states that was purposed to support programs that:

- Prevent violence in and around schools,
- Prevent the illegal use of alcohol, tobacco, and drugs,
- Involve parents and communities, and
- Are coordinated with related Federal, State, school, and community efforts and resources to foster a safe and drug-free learning environment.

Note: Congress defunded grants under this part in Federal Fiscal Year 2011 (School Year 2011–2012).

The reauthorization of ESEA under ESSA creates a new Part A – Student Support and Academic Enrichment grant under Title IV that is now purposed to improve students' academic achievement by increasing the capacity of States, LEAs, schools, and local communities 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.

Note: ESSA states that no eligible LEA may receive a Title IV, Part A amount that is less than \$10,000, if possible.

### **Title IV, Part A Student Support and Academic Enrichment Grant Eligibility and Formula Distribution**

Eligibility:

- Eligible for and received Title I, Part A funding in the prior year.

Note: Eligible prior year Title I, Part A LEAs that chose not to apply for their Title I, Part A funds (non participants) are not eligible and excluded from the current year distribution formula.

Formula Distribution:

- Calculate each LEAs initial amount by dividing each eligible LEAs prior year Title I, Part A amount by the total prior year Title I, Part A amount from all eligible LEAs and multiplying the result by the Title IV, Part A LEA grant award distribution amount.
- If the LEAs initial amount is less than \$10,000, increase the amount to equal \$10,000.
- Ratably reduce all LEA amounts above \$10,000 to match the amount needed to maintain the \$10,000 minimum award amount ensuring none are brought below \$10,000 during the process.

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