

Elementary and Secondary Education Act (ESEA) Grant Allocations

The purpose of this document is to provide information on how grant funds are allocated under the Elementary and Secondary Education Act (ESEA).

The United States Department of Education (USDE) allocates ESEA grant program funds from Congressional appropriations using a statutorily prescribed formula. Local educational agencies (LEAs) in Oklahoma receive the grant award notifications in the Grants Management System (GMS) accessed through Single Sign On (SSO). The LEAs will budget the grant awards using the ESEA Consolidated Application. The ESEA Consolidated Application contains the following ESEA grant programs -

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

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 public school districts, counties, and states. The 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

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In addition, to implement provisions under Title I, Part A, 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 public 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 public school district boundaries.

Find additional information visit the United States Census Bureau's [SAIPE](#) webpage.

Alternative Poverty Measurement

Under authority in ESEA sections 1124, 1124A, 1125 and in [34 CFR § 200.74](#), Oklahoma has longstanding approval from the USDE to use an alternative measure to redistribute Title I, Part A (Title I) allocations calculated by ED for Oklahoma's LEAs under 20,000 total population (small LEAs) for each Title I formula: Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants.

The ESEA and Title I regulations require that a state base its alternative method on population data that best reflect the current distribution of children from low-income families among the State's small LEAs and use the same measure consistently for small LEAs across the State.

Oklahoma's approved alternative measure consists of children eligible for free lunch from the National School Lunch Program (NSLP) and in local institutions for neglected children.

With respect to the Community Eligibility Provision (CEP) of the NSLP, to determine the number of NSLP free lunch students in small LEAs that participate in CEP and in LEAs that do not participate in CEP, Oklahoma and its small LEAs have options. They must use the 1.6 multiplier method (count of children ages 5 to 17 identified through NSLP direct certification x 1.6).

- 1.6 multiplier method:
 - the portion of a small LEA's NSLP count that comes from non-CEP schools would be either (1) the sum of children ages 5 to 17 identified through NSLP direct certification and for free lunch through NSLP household applications or (2) the product of children ages 5 to 17 identified through NSLP direct certification and 1.6.

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- The portion of a small LEA's NSLP count that comes from CEP schools would be the product of children ages 5 to 17 identified through direct certification and 1.6.
- Under either of these approaches, an LEA's derived NSLP count may not exceed its enrollment.

Charter LEAs

The federal grant formula allocation procedure for Title I, Part A and Title II, Part A allocates funding to eligible LEAs based on the previously mentioned data in **state-defined geographic areas**. As charter LEAs do not have a state-defined geographic area the formulas must be adjusted. The Oklahoma State Department of Education (OSDE) uses data from the following sources to adjust the formula for charter LEAs.

1. For new and expanding charter LEAs, OSDE will use data reported in the New and Expanding Charter School – Initial Application for Federal Funds submitted by May 1 to the Office of Title Services.
2. For existing charter LEAs, OSDE will use data reported to OSDE via the LEA's student information system in October.

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 the data submitted to OSDE by student information system (SIS) vendors. Once the October data collection has been certified, revisions to student counts used to determine LEA eligibility and allocation amounts by formula may not be approved.

Data Sources Used to Derive Census Poverty and Population Transfer Equivalents

The United States 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

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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

Title I, Part A allocations include eligible funding from funds appropriated for Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grant (EFIG).

When determining these allocations, USDE uses the most current Census Bureau's school district poverty and population estimates based on public school district's 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 that receive assistance under the Temporary Assistance for Needy Families (TANF) program.

USDE then releases state-specific LEA formula children and resulting in a gross allocations to states.

For Oklahoma, this includes within each school district boundary:

- Formula children
 - Ages 5–17 census poverty counts
 - Prorated foster counts
 - Neglected counts
- Ages 5–17 census population counts
- Calculated percentage of formula children
- 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 (EFIG) 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

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EFIG grant appropriations. These counts and amounts determine eligibility for and provide a grant award for 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

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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 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 Oklahoma. USDE requires that Oklahoma Title I, Part A formulas must adjust their allocations to:

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

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USDE formulas aggregate state reported neglected counts to the LEA where the facility is located. This count is collected in the annual Neglected and Delinquent Programs Local Educational Agency (LEA) Annual October Count. These within district facility counts and funding amounts generated by USDE formulas are **subsequently transferred to LEAs serving** eligible students. These neglected share amounts are earmarked for serving students at these reported facilities. 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.

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 transfer 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. 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.

**Reserving 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 subtracted 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.

**Reserving 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.

Title I, Part A Formula Allocation Data Release Schedule

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. OSDE formulas utilize this data along with updated 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, OSDE 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 1st. 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 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 LEAs receive the federal grant funds to which they are entitled within 5 months of first opening or experiencing a significant expansion event.

The OSDE formulas typically withhold 1% 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 allocations and statutory adjustments when additional formula children data is included from new and significant expansion charter LEAs. It does not guarantee that an LEA will not see a decrease in final funding when final amounts are calculated and released. LEAs are impacted directly by charter LEAs serving students within their boundaries and all LEAs are impacted by the hold-harmless adjustments required by the statutory formula.

Note: Because the OSDE's ESEA 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 2.0% reduction from each eligible LEA.

Final Amounts

The final calculation of formula grant amounts begins after December 1st of the current school year for the federal funding grant period that started on July 1st. New and significant expansion charter LEAs have until this date to submit and certify the source of data (listed below) to receive any eligible funding from these federal fiscal year grant funds.

The formula calculated amounts from this calculation becomes each LEA's final allocation amount for the grant funding period and is recalculated only if USDE

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determines that a significant event occurred that requires their recalculation and release of updated formula funding to states.

For new and significant expansion charter LEAs submitting and certifying the data sources (listed below) between December 1 and prior to February 1 of the school year:

- Eligible gross allocations and allocation adjustments to impacted 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.

Data Sources

1. LEAs participating in the Child Nutrition Program will use the Low-Income Student Count Report in the Claims, Applications, and Review System (CARS)
OR
2. LEAs not participating in the Child Nutrition Program will use the Certified Low-Income Student Count form submitted to the Office of Title Services.

Title I, Part D Prevention and Intervention Programs for Children and Youth Who are Neglected, Delinquent, or At-Risk

Subpart 1 - Allocations to State Agencies

Each October the two state agencies (Oklahoma Department of Corrections and Oklahoma Youth Academy) report enrollments in the Title I, Part D, Subpart 1 State Agency October Count. This data is 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 statewide per pupil amount from the Title I, Part D, Subpart 1 grant awarded to Oklahoma. Oklahoma Department of Corrections and Oklahoma Youth Academy are provided allocations amounts that equal their reported enrollment counts times the per-pupil amount.

Subpart 2 - Allocations to LEAs

Each October LEAs report the counts of students being served at residential facilities for neglected and delinquent children through the Neglected and Delinquent Programs Local Educational Agency (LEA) Annual October Count. 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 Oklahoma's LEAs based on geographic boundaries. When released to states, USDE formulas have extracted and report the delinquent counts and associated allocations as

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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 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 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. The 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 may be located at from the prior year counts.

Title II, Part A Supporting Effective Instruction

- Based on ages 5–17 census poverty (80%) and census population (20%) 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: 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

USDE allocates Title III, Part A program funds to states on a proportionate share basis using the following formula:

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- 80% based on the number of students identified as English Learners (ELs) in the state compared to the number of students identified as English Learners (ELs) in all states, and
- 20% based on the number of immigrant student counts in the state compared to the number of immigrant student counts in all states.

OSDE distributes, 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 English Learner counts.

Note: A statute based limitation restricts OSDE from awarding Title III, Part A grants to eligible LEAs that generate an allocation of less than \$10,000.

Title III, Part A English Learner Eligibility and Formula Distribution

Eligibility:

- Serving one or more English Learner (EL) students in the fiscal year preceding the fiscal year for which the subgrant is made as reported to OSDE by the LEA's student information system in October.
- EL student counts aggregated at the state level create a statewide per pupil from the EL grant allocation amount.

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

Note: Because statute requires that LEA award amounts must be \$10,000 or greater for the LEA to apply for funding, LEAs whose funding amounts are below this amount may join a consortium of LEAs 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: Significant Increase in Percentage of Immigrant Students

- District LEA immigrant student counts are from the current and previous two years two years of data reported to OSDE via the LEA's student information system in October.
- 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.

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- In Oklahoma the immigrant student count must be a minimum of twenty students with a two percent growth over the previous two years.

Formula Distribution

Current-year immigrant student counts from eligible LEAs aggregated at the state level create a statewide 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.

Definition of Immigrant Student

An immigrant child or youth is defined as an individual who is 3 - 21 years old, was not born in any U.S. state, and has not attended schools in any one or more U.S. states for more than three full academic years.

Title IV, Part A Student Support and Academic Enrichment Grants

Title IV, Part A funds are intended to improve students' academic achievement by increasing the capacity of LEAs to:

1. Provide all students with access to a well-rounded education,
2. improve school conditions for student learning, and
3. improve the use of technology to improve the academic achievement and digital literacy of all students.

Note: ESEA Title IV statute reads that no LEA may receive an allocation less than \$10,000.

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

Eligibility:

- Eligible for and received a Title I, Part A allocation in the prior fiscal 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.

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- 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.