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Superintendent of Public Instruction

DEPARTMENT OF EDUCATION

Working Together for Student Success

MEMORANDUM

To: Superintendents
Title I, A Program Administrators
Title II, A Contacts
Title III, A Program Administrators

From: Nathan Williamson, Director
Office of Title Grants and Support
Indiana Department of Education

Subject: Federal Funding Updates and Equitable Share Participation

Date: April 15, 2017

This memorandum is meant to provide an update on the current status of Title funding, as well as provide details on changes that were made to equitable participation under the Every Student Succeeds Act (ESSA) to assist districts in planning for SY 2017-2018 budgets.

The resources cited within this memorandum can be found on our Federal Fiscal Updates page at <http://www.doe.in.gov/titlei/federal-programs-fiscal-updates>

The five main impacts in federal funding:

1. SY 2017-2018 appropriations have not been finalized by Congress.
2. Equitable services provisions have changed for Title IA and Title II.
3. The state level set aside requirement for school improvement grants under Title I increased by 3%.
4. Indiana must still apply the Title I reset to address its memorandum of agreement with the U.S. Department of Education.
5. Title II hold harmless was completely removed.

Unknown Appropriation Levels

The government is currently being funded by a continuing resolution (CR), passed in December 2016 and going through April 28, 2017. As such, Indiana Department of Education (IDOE) has not received allocations for federal grants under ESSA, including the new Title IV block grant. Additionally, IDOE has been told to expect cuts in federal funds in the SY 2017-2018 budget.

Equitable Services

What programs are subject to equitable participation requirements?

ESSA includes separate provisions governing equitable services for eligible private school students, teachers and other educational personnel, and families under Title I and programs covered under Title VIII. Programs covered under Title VIII include: Part A of Title I, Part A of Title II, supporting effective instruction; Part A of Title III, English language acquisition, language enhancement, and academic achievement; and Part A of Title IV, student support and academic enrichment grants, which has not been funded yet.

What money will have to be allocated for equitable participation requirements?

Expenditures for equitable services to eligible private school children, teachers, and other educational personnel must be equal to the proportion of funds allocated to participating public school children for Title I and II. ESSA requires that the Title I, Part A private school equitable share must be made prior to any expenditures or transfer of funds. Prior expenditures or transfer of funds includes previously reserved funds “off the top”, such as reservations for administration, parental involvement, and district-wide initiatives. IDOE is making adjustments to the Title I online application and Title II application to assist with this new requirement.

There is recent [U.S. Department of Education guidance](#) which clarifies these changes and exactly how the new equitable share will be calculated.

State Level Set-Aside: Title I Impact

In ESSA, the 4% reservation by a State for Title I school improvement has increased to 7% of a State’s Title I grant award. This means for FFY 17 (SY 2017-2018) allocations, IDOE must reduce the Title I allocations of all LEAs, including newly opened and significantly expanded charter school LEAs, in order to make the required school improvement reservation. Historically, LEAs have expected at least 85, 90, or 95 percent of their prior year’s Title I allocation. To compensate for these changes, LEAs should use the chart below as a planning guide for SY 2017-2018.

Please note that final appropriations set by Congress may impact these percentages further.

Poverty Population Data	Historical Planning Allocation	ESSA Planning Allocation*
< 15%	85%	78%
15-30%	90%	83%
Greater than or equal to 30%	95%	88%

Example Funding Scenario for ESSA Planning Purposes

Poverty Population Data	Historical Planning Allocation	ESSA Planning Allocation*
Sample LEA 1 has a poverty rate of < 15% and a SY 16-17 allocation of 1,000,000	85% = \$850,000	78% = \$780,000
Sample LEA 2 has a poverty rate between 15%-30% and a SY 16-17 allocation of 1,000,000	90% = \$900,000	83% = \$830,000
Sample LEA 3 has a poverty rate of > or equal to 30% and a SY 16-17 allocation of 1,000,000	95% = \$950,000	88% = \$880,000

* Please note that the hold harmless percentages did not change under ESSA (85%, 90%, 95%) but due to the higher set aside for school improvement, LEAs might receive less than these percentages in SY 2017-2018. The new base that is determined for SY 2017-2018 will then be used in SY 2018-2019 for the typical 85, 90, and 95 percent hold harmless levels.

Title I Reset

The IDOE entered into a [Memorandum of Agreement](#) (MOA) with the USED in December 2016 to address the Title I reset, which impacts funding for the following fiscal years: 2017-2018, 2018-2019, 2019-2020, and 2020-2021. So that all under- and over- allocations made during SY 2011-2012 through SY 2015-2016 are fully corrected by SY 2020-2021, IDOE submitted a schedule to USED identifying the adjustments. Each of these fiscal years through SY 2020-2021 will represent a 23.75% adjustment of the total increase or decrease in your Title I allocation. These adjustments will have larger impacts at the LEA level beginning with SY 2017-2018.

[Here is a calculator](#) to help you estimate the new planning allocation for Title I for the 2017-2018 school year.

Title II Hold Harmless Removed

Starting in FY 2017, the “base hold-harmless amount” for Title II for an LEA was eliminated. The previous hold-harmless provision was based on the amount of funds an LEA received for FY 2001 under the former Eisenhower Professional Development and Class-Size Reduction programs.

[Here is a calculator](#) to help you estimate the new equitable share for Title II.

Although Title II allocations have not yet been finalized for the 2017-2018 school year, the IDOE has rerun the previous year’s Title II allocations using the new procedures under ESSA ***for planning purposes only***. No previous Title II allocations will be changed, but LEAs may utilize this [CHART](#) in order to understand the impact of the removal of the LEA hold-harmless provision.

IDOE will continue to keep you updated with additional information and support as we move forward and more information is made available under the new administration. Questions regarding the information in this memorandum can be sent to Nathan Williamson at 317-232-6671 nwilliamson@doe.in.gov.

Determining the Amount of Title I Funds for Planning Purposes¹

Below are steps to determine Title I, Part A Private School Equitable Share under ESSA. These steps are derived from the *Non-Regulatory Guidance: Fiscal Changes and Equitable Services Requirements Under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA)* (November 21, 2016).

Step 1: Determine the number of children who attend public schools and private schools from low-income families residing in each participating public school attendance area.

Step 2: Determine, using division, the overall proportionate share for public and private schools (for an example, see Question O-2 in the [Non-Regulatory Guidance Link](#)).

Step 3: Based on the proportionate share of the LEA’s total Title I allocation, LEAs must determine the amount of funds available for equitable services using the count of children from low-income families who attend private schools. For example, an LEA with four Title I public school attendance areas and a total Title I allocation of \$1,000,000 would determine the total amount as follows:

Public School Attendance Areas	Number of Public School Low-Income Children	Number of Private School Low-Income Children	Total Number of Low-Income Children
A	500	120	620
B	300	9	309
C	200	6	206
D	350	15	365
Total	1,350	150	1,500
Proportionate Share	90%	10%	
	\$900,000	\$100,000	

Step 4: From the total private school share (in O-2, \$100,000), the LEA will reserve the proportionate amount of funds for parental involvement and discuss in consultation with the private school officials how it will use these funds. The LEA may reserve an amount reasonable and necessary to administer Title I equitable services. In the example, \$1,000 is reserved for parent involvement (see O-4) and \$5,000 is reserved for administration of Title I services in private schools. Therefore, \$94,000 remains to be divided among private school students from low-income families in served attendance areas.

Step 5: Once served attendance areas have been established, the \$94,000 remaining for instruction or professional development in a private school will be determined based on the proportion of the private

¹ This guidance was adapted from Wisconsin Department of Public Instruction and the U.S. Department of Education Non-Regulatory Guidance.

school students from low-income families in served attendance areas who attend the private school relative to the total number of private school students from low-income families in served attendance areas. Using example in O-2, each private school student would generate a per pupil amount of \$626.67 ($\$94,000/150$) for instruction and professional development.

Step 6: LEAs with a total Title I allocation of over \$500,000 must reserve and spend at least 1 percent of its Title I allocation for parent involvement activities. The LEA then applies the proportionate share percentage for services to private school students (O-4). The LEA does not reserve a portion of its 1 percent reservation for parent involvement for private school students, rather this amount comes from the proportionate share that the LEA already determined under question O-2.