

ALLOCATION OF ELEMENTARY AND SECONDARY EDUCATION ACT (ESEA) FUNDS TO SIGNIFICANTLY EXPANDING CHARTER SCHOOL LOCAL EDUCATION AGENCY (LEA)

The purpose of this document is to advise charter schools and charter sponsors of the requirements and procedures related to ESEA funding for significantly expanding charter schools. A significant expansion is defined as a substantial increase in the number of students attending a charter school due to a significant event that is unlikely to occur on a regular basis, such as the addition of one or more grades or educational programs in major curriculum areas. The term also includes any other expansion of enrollment that the State Education Agency (SEA) determines to be significant (EDGAR § 76.787). ESEA Section 4306 details measures to be taken by the Missouri Department of Elementary and Secondary Education (DESE) to ensure new or significantly expanding charter schools receive the federal formula funds in a timely manner and reflect the new or significantly expanded enrollment. For ESEA programs, DESE defines a significant expansion of enrollment as an addition of one or more grades OR an increase of 10% or more in the K-12 enrollment of the local educational agency (LEA) from the current year K-12 September enrollment (October MOSIS count).

NOTIFICATION OF EXPANSION

Any significant expansion planned for the upcoming school year must be submitted in writing by your sponsor (Section 160.405.6, RSMo 2011) on sponsor letterhead to DESE by **March 15**. The letter should be sent to the Charter Schools Operations Assistant, Office of Quality Schools, DESE. In addition, estimated data regarding the significantly expanding charter must be submitted in Core Data in the February cycle on screen 37, New and Expanding Charter School Data, by **March 15**.

The March 15 deadline has been set by DESE to allow the 120 days' notice time before the date the charter school is scheduled to expand, for those schools planning to expand at the beginning of the school year (EDGAR §76.788(a)). Charter schools that are expanding between November 1 and February 1 of the school year must provide DESE notification at least 120 days before the date of the expansion and will receive a prorated amount of funding based on the number of months or days they will participate in the program as compared to the total number of months or days in the school year (EDGAR § 76.792(a)). Charter schools that expand after February 1 of the school year may also receive a prorated amount of funds (EDGAR 76.792(b)).

PROCEDURES AND TIMELINE FOR CALCULATING ESEA ALLOCATIONS

Initial LEA allocations for significantly expanding charter schools are calculated in late Spring based on projected enrollment and poverty. The projections are compared to the prior September enrollment and poverty using Free and Reduced Lunch count data (Federal Programs Headcount of children ages 5-17) made available in the October Core Data cycle screen 15 and Community Eligibility Provision (CEP) poverty data for participating buildings.

In the fall, DESE calculates final allocations for expanding charter schools and sending public LEAs using actual September Enrollment and poverty data made available in the October MOSIS cycle, as well as the CEP data submitted to Food and Nutrition Services in April.

DESE notifies charter schools and sending LEAs of revised allocations. LEAs may need to amend their ESEA Consolidated Budget Application.

TITLE I ALLOCATON CALCULATION

In order to receive Title I funding, an expanding charter school LEA must meet the same eligibility requirements that apply to other LEAs, **EXCEPT** for the use of current data.

The U.S. Department of Education (USED) calculates the Title I allocation for each LEA using Census poverty and Census population for children ages 5-17, children in neglected or delinquent institutions and foster children. Because Census poverty data is not available for charter schools, DESE must determine the Title I eligibility by deriving an estimate of the number of Census poor children ages 5-17 attending the charter school.

- A. The following steps are taken to derive a formula count and to determine eligibility:
- (1) The charter LEA reports its total 5 through 17 population and count of low-income children, using alternative poverty data that is from the same time period;
 - (2) The total 5 through 17 population and the number of low-income children in the charter LEA is used to derive an estimate of Census poverty children and population to calculate the percentage of formula children in the charter LEA to determine eligibility for Title I.
- B. For each sending LEA (Kansas City or St. Louis) and charter, adjustments are made to the ED-determined allocations by taking the total from USED, divide by the total derived poverty, and multiply by the count for each LEA.
- C. The initial allocation for each expanding charter LEA is used to determine the hold-harmless level of 85, 90, or 95 percent of its “prior year” base amount for Basic, Concentration, Targeted and EFIG Grant formulas. The current formula count is compared to the prior year to establish a percentage increase. This percentage is multiplied by the prior year allocation under each formula to establish the new hold-harmless base amount. This new base ensures that each significantly expanding charter LEA receives an allocation that reflects its current student count even though allocations are calculated before the identity and characteristics of the students enrolling in the charter LEA are fully determined.

TITLE II.A ALLOCATON CALCULATION

The derived Census poverty and derived population ages 5-17 is used to compute the Title II.A allocation.

RESOURCES

The U.S. Department has taken a number of steps to implement section 4306 of the ESEA, including ESSA Fiscal Guidance (November 2016) <https://www2.ed.gov/policy/elsec/leg/essa/essaguidance160477.pdf> , issuing regulations (34 C.F.R. part 76, subpart H) <http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html> and nonregulatory guidance (<http://www.ed.gov/policy/elsec/guid/cschoools/cguidedec2000.pdf>)

If you have questions or need additional information, please contact our office at federalfinancial@dese.mo.gov or 573-751-8643.