

## **ALLOCATION OF ELEMENTARY AND SECONDARY EDUCATION (ESEA) FUNDS TO A NEW CHARTER SCHOOL LOCAL EDUCATION AGENCY (LEA)**

The purpose of this document is to advise new charter schools and charter sponsors of the requirements and procedures related to ESEA funding for a new charter school. If a new charter school plans to open in the upcoming school year, the charter school (Section 160.405.2(1), RSMo 2012) must be approved by the State Board of Education by January 31 of the year prior to the proposed opening date of the charter school. In addition to the application approval, the sponsor should submit a letter on sponsor letterhead to the Department of Elementary and Secondary Education (DESE) by **March 15**. The letter is to be sent to the Charter Schools Operations Assistant, Office of Quality Schools, DESE. Estimated data regarding the new charter school 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 open, for those schools planning to open at the beginning of the school year (EDGAR §76.788(a)). Charter schools opening between November 1 and February 1 of the school year must provide DESE notification at least 120 days before the opening date of the charter school 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 open after February 1 of the school year may receive a prorated amount of funds (EDGAR 76.792(b)).

### **PROCEDURES AND TIMELINE FOR CALCULATING ESEA ALLOCATIONS**

Initial LEA allocations for new charter schools are calculated in late Spring using projected enrollment and Free and Reduced Lunch count data of children ages 5-17.

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

DESE notifies charter schools and sending local educational agency (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, a new 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 new 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 new 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 FIG Grant formulas. The initial allocation is multiplied by the hold-harmless percentage. This new base ensures that a new charter LEA is not disadvantaged by the fact that it had no prior year Title I allocation to apply the hold-harmless level.

## 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/cguedec2000.pdf>)

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