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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:

- x 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.
- x 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:

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





will not match the current list of LEAs in Texas. USDE requires that TEA





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.

- x 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 1<sup>st</sup> of the current school year for the federal funding grant period that started on July 1<sup>st</sup>. New and significant expansion charter school LEAs have until this date to submit and certify actual enrollment data through the eGrants SC5050 data collection 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:

- x Eligible gross allocations and allocation adjustments to impacted district LEAs are calculated.
- x These allocation adjustments will be included as additional

# **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.

## **Texas–New Generation System (TX-NGS)**

TX-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 TX-NGS drive MEP formula funding to eligible LEAs serving migrant students

- 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.

- x 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 Title I, Part A, Title III, Part A and State Compensatory Education funding formula are weighted more than LEAs with high or extensive availability of the other sources of funding.









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

Title II, Part A formula amounts are now:

- x 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 (fiscal year 2018/school year 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 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**

- x 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.
- x 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.
- x A “significant increase” of immigrant students for an LEA to qualify for immigrant funds.
  - o Prior to fiscal year (FY) 2023 (school year 2022–2023): LEAs were required to have an increase of at least 100 immigrant students.
  - o Beginning in FY 2023: LEAs are required to have an increase of at least 75 immigrant students.

## **Eligibility Method 2:**



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