

USDE Student-Centered Funding Pilot

General Information

- On February 2, the Department released the draft application for LEAs interested in combining eligible Federal funds with State and local funds to create a single, student-centered funding system as authorized by section 1501 of the ESEA
- Applicants will propose funding systems that allocate substantially more funding for students from low-income families, English learners, and other educationally disadvantaged student groups

Application Information

- For LEAs wishing to implement in 2018-2019, applications are due on March 12
- For those applying for 2019-2020, applications are due on July 15
- The application is available at <https://www2.ed.gov/policy/elsec/leg/essa/scfp/studentcentered.html>
- Up to 50 LEAs can be approved initially
- LEAs will be approved for 3 years, with the opportunity for the renewal

LEA Opportunity

- Approved LEAs receive flexibility from many LEA-level programmatic and fiscal requirements
- An LEA has flexibility in determining the details of the system. It must ensure that the system allocates substantially more funds to students from low-income families, English learners, and students with any other characteristics associated with disadvantage chosen by the LEA
- An LEA should propose the system that makes the most sense within its local context consistent with the requirements

LEA Responsibility

- The statute requires an LEA operating under this flexibility to ensure that, in the first year of implementation, it will allocate more per-pupil funding for students from low-income families and at least as much funding per-pupil for English learners as it did in the preceding year
- In subsequent years, the LEA must show that high-poverty schools annually receive at least as much funding for students from low-income families and English learners as such school received the previous year
- School districts that receive the flexibility must also provide an assurance that parents, teachers, school leaders and other relevant stakeholders are consulted in the development and implementation of the student-centered funding system

Included Programs

- An LEA may choose to include funds from any of the following programs as part of the overall dollars to which it will apply its formula:
 - ✓ Title I, Part A
 - ✓ Title I, Part C
 - ✓ Title I, Part D, Subpart 2
 - ✓ Title II

- ✓ Title III
- ✓ Title IV, Part A
- ✓ Title V, Part B
- All regular Federal requirements apply for any Federal funds an LEA does not include when it applies its funding formula

Meeting the Purposes of Included Programs

- An LEA that receives flexibility under this program must still meet the purpose of each included Federal program and must describe how it will do that in the application
 - ✓ Including how the LEA will serve students from low-income families, English learners, migratory children, and children who are neglected, delinquent, or at risk
- The LEA must ensure that funds provided through the system will allow the LEA to continue to meet all of its obligations

Competitively Awarded Funds

- An LEA may, at its discretion, include funds received under a competitive program in the total dollars to which it applies its single weighted funding system
- Such an LEA must still carry out the scope and objectives, at a minimum, at the level described in the LEA's approved application under which the funds were awarded

Per-Pupil Funding: Application Requirement (March Applicants)

- Application items 5 & 6 require an LEA to identify the per-pupil expenditures of State and local education funds for each school in the LEA for the fiscal year prior to the year for which the LEA is requesting flexibility and the per-pupil Federal funds received
- Since an LEA requesting flexibility for the 2018-2019 school year may not have final per-pupil expenditure data available yet, and in keeping with the Department's June 2017 Dear Colleague letter that offered flexibility in the timeline for reporting per-pupil expenditures, an LEA may provide estimated per-pupil expenditures in its application, which it must update as soon as final data are available

Per-Pupil Funding: Application Requirement (July Applicants)

- An LEA applying in July 2018 to implement in SY 2019-2020 has two options about per-pupil funding to including the application
- The first option is to provide the actual per-pupil expenditures of State and local education funds and the amount of eligible Federal funds received for each school served by the LEA from the fiscal year immediately preceding the year for which the LEA is applying to use the flexibility
- For an applicant applying in July 2018 to use the flexibility in SY2019-2020, that means providing actual per-pupil expenditures of State and local education funds and the amount of eligible Federal funds received for each school served by the LEA from Fiscal Year 2018 (SY 2017-2018)
- The second option is to provide the actual per-pupil expenditures of State and local education funds and the amount of eligible Federal funds received for each school served by the LEA from two fiscal years earlier than the year for which the LEA is applying to use the flexibility, adjusted for any significant variances in enrollment or other reasonable adjustment for accuracy as necessary
- An LEA submitting in July 2018 to begin implementing in 2019-2020 that chooses this option would submit data based on SY 2016-2017, adjusted as appropriate

- The LEA would explain its methodology for adjusting data, if it adjusted for enrollment changes or other variances, in question #7 of the application

NDDPI Considerations

- Currently, North Dakota uses a weighted student formula to fund school districts. This concept has been implemented at the district level in other states to fund schools using a similar weighted formula. According to CCSSO, the smallest district they are aware of using the student formula to fund schools has approximately 10,000 students.
- In the weighted student formula, the school district will allocate its state and local funds to each school using the weighted formula. After the state and local funds are allocated, the federal funds are distributed to the schools based off the federal funding rules to ensure funds, such as Title I, are meeting the supplement not supplant requirement.
- If a school district were to apply for the pilot program, they would have the flexibility to use the federal funds the district receives as part of the weighted student formula rather than applying the funds after the formula is calculated. It essentially waives the federal regulations on how federal dollars are allocated to schools. A school district still must show how the federal funds are being implemented in the formula so that federal money intended for a certain purpose is not being used in another manner.
- We are not aware of any districts in North Dakota that are currently using a weighted student formula to fund their schools but rather using a teacher based funding method. The weighted student funding method would need to be implemented in order for a school district to apply for the waiver.
- Questions regarding NDDPI Considerations can be directed to [Adam Tescher](#), Director School Finance at 701-328-3291.

Resources

- More information is available at: <https://www2.ed.gov/policy/elsec/leg/essa/scfp/studentcentered.html>
- Please send questions to WeightedFundingPilot@ed.gov