

# Rank and Serve



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# ESSA Fiscal Issues



## Title I Fiscal Data Tests

- ***Ranking and serving:*** requires LEAs to distribute Title I funds to eligible Title I schools in order of rank.
- ***Report card expenditure test:*** requires the State and LEAs to report on actual expenditures using federal, state and local funds.
- ***Maintenance of effort:*** practically requires LEAs to spend at least 90% of state and local funding for free public education from year-to-year.
- ***Comparability:*** requires that state and local funds are used to provide services that, taken as a whole, are comparable between Title I and non-Title I schools.
- ***Supplement not supplant:*** requires LEAs to distribute state and local funds to schools without taking into account a school's participation in the Title I program.

## Eligible Attendance Areas ESSA Sec. 1113

- School Attendance Areas must be eligible to participate in Title I, Part A based on equal or higher percentage of poverty as the LEA on the whole, or at least 35% poverty
- Eligibility: 4 poverty measures
  - 1. number of children ages 5-17 in poverty counted in most recent census
  - 2. number of children eligible for free and reduced price lunch
  - 3. number of children in families receiving TANF
  - 4. number of children eligible to receive Medicaid assistance; or
  - 5. a composite of these data sources



# Ranking and Serving

- First: Rank Schools
  - First rank schools exceeding 75% poverty
    - Strictly rank these schools by poverty rates without regard to grade span
  - **May** then rank high schools w/50% or more poverty (*optional*)
  - Then rank all other schools at or below 75% poverty
    - May rank these schools by grade span or by poverty rates
- Then: Serve Schools
  - **Must** serve (i.e. fund) schools strictly in order of rank!
- Discretion on amount of Per Pupil Allocation (PPA)
  - Provided the same/higher PPAs are in higher schools on ranked list

# Ranking Options (Strict Percentage)

## Standard Ranking by Strict Percentage

School	Poverty Rate	# Poverty Students
Albemarle ES	92%	82
Lincoln Middle School	87%	90
Roosevelt ES	79%	40
Scott ES	74%	56
Washington High School	70%	160
Brown Charter ES	59%	119
Key Middle School	58%	47
Brennan High School	52%	92
Smith High School	49%	15

## ESSA Ranking by Strict Percentage (w/50% high school)

School	Poverty Rate	# Poverty Students
Albemarle ES	92%	82
Lincoln Middle School	87%	90
Roosevelt ES	79%	40
Washington High School	70%	160
Brennan High School	52%	92
Scott ES	74%	56
Brown Charter ES	59%	119
Key Middle School	58%	47
Smith High School	49%	15

## ► PPA Examples

Ranked by Grade Span, Only Serving Elementary Schools After 75%, Higher PPA in Higher Ranked Schools.

School	Poverty Rate	# Poverty Students	PPA	Allocation
Albemarle Elementary	92%	82	\$2,000	\$123,000
Lincoln Middle School	87%	90	\$1,500	\$135,000
Roosevelt Elementary	79%	40	\$1,500	\$60,000
Scott Elementary	74%	56	\$850	\$47,500
Brown Charter Elem	59%	119	\$850	\$101,150
Key Middle School	58%	350	n/a	\$0
Washington High School	70%	160	n/a	\$0
Smith High School	52%	100	n/a	\$0
Brennan High School	49%	92	n/a	\$0

## ► PPA Examples

Included High Schools at or above 50% Poverty, Ranked by Grade Span, Only Serving Elementary Schools After 75%, Higher PPA in Higher Ranked Schools.

School	Poverty Rate	# Poverty Students	PPA	Allocation
Albemarle Elementary	92%	82	\$2,000	\$123,000
Lincoln Middle School	87%	90	\$1,500	\$135,000
Roosevelt Elementary	79%	40	\$1,000	\$40,000
Washington High School	70%	160	\$1,000	\$160,000
Smith High School	52%	100	\$900	\$90,000
Scott Elementary	74%	56	\$850	\$47,500
Brown Charter Elementary	59%	119	\$850	\$101,150
Key Middle School	58%	350	n/a	\$0
Brennan High School	49%	92	n/a	\$0



## ▀ PPA Examples

Ranked by Grade Span, Focusing funds on highest poverty schools.

School	Poverty Rate	# Poverty Students	PPA	Allocation
Albemarle Elementary	92%	82	\$5,000	\$410,000
Lincoln Middle School	87%	90	\$5,000	\$450,000
Roosevelt Elementary	79%	40	\$5,000	\$200,000
Scott Elementary	74%	56	\$5,000	\$280,000
Brown Charter Elementary	59%	119	n/a	\$0
Key Middle School	58%	350	n/a	\$0
Washington High School	70%	160	n/a	\$0
Smith High School	52%	100	n/a	\$0
Brennan High School	49%	92	n/a	\$0

## ▀ PPA Examples – 125% rule

LEA Poverty: 15%; Total Poverty Students 115

Total Award: \$100,000; 125% PPA: \$1,086

School	Poverty Rate	# Poverty Students	PPA	Allocation
Albemarle School	40%	25	\$1,500	\$37,500
Lincoln School	35%	18	\$1,250	\$22,500
Roosevelt School	20%	20	\$1,100	\$22,000
<u>Scott School</u>	<u>18%</u>	<u>15</u>	<u>\$533</u>	<u>\$8,000</u>
Brown Charter School	16%	12	n/a	\$0
Key School	15%	11	n/a	\$0
Washington School	10%	8	n/a	\$0
Smith School	9%	3	n/a	\$0
Brennan School	9%	3	n/a	\$0

## ▀ Skipping Schools in Rank and Serve

May Skip any school in the ranked list, but only if:

1. Comparability is met;
2. The skipped school receives supplemental State/local funds used in Title I-like program; and
3. The amount of the supplemental State/local funds meet or exceed amount would be received under Title I.

## ▀ PPA Options

Ranked by Grade Span, Focusing funds on elementary schools, skipping Lincoln Middle School.

School	Poverty Rate	# Poverty Students	PPA	Allocation
Albemarle Elementary	92%	82	\$5,000	\$410,000
<del>Lincoln Middle School</del>	<del>87%</del>	<del>90</del>	<del>\$5,000</del>	<del>\$450,000</del>
Roosevelt Elementary	79%	40	\$5,000	\$200,000
Scott Elementary	74%	56	\$5,000	\$280,000
Brown Charter Elementary	59%	119	\$5,000	\$595,000
Key Middle School	58%	350	n/a	\$0
Washington High School	70%	160	n/a	\$0
Smith High School	52%	100	n/a	\$0
Brennan High School	49%	92	n/a	\$0

# FAQs related to Rank and Serve





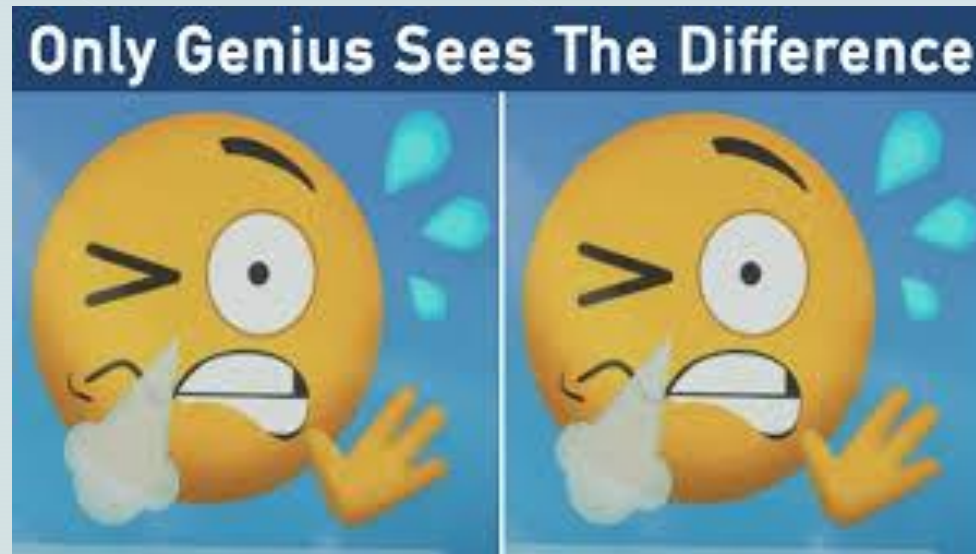
## Is there a minimum amount that an LEA must allocate through rank and serve?

- No. However, “the goal of Part A is to enable participating children to make adequate progress toward meeting the challenging student achievement standards that all children are expected to meet.”
- ED encourages majority of funding through rank and serve.

ED Guidance, 2003.

What do I do if there are salary differentials between schools with same poverty?

- LEA may pay the differential salary and fringe benefit costs from its administrative funds taken off the top of the LEA's allocation. This policy must be applied consistently.



## How does Community Eligibility impact rank and serve?

- Identified students under Community Eligibility are eligible under NSLP. Accordingly, if LEA uses NSLP data as its poverty measure, Community Eligibility data will be part of the NSLP data for within-district allocations.



## How does Community Eligibility impact rank and serve?

- If an LEA has Community Eligible schools and non-Community Eligible Schools, the direct certifications times the 1.6 multiplier, divided by enrollment would approximate the number of NSLP-eligible students. A second option is to rank by direct certifications for all schools.





- If an LEA applies the “35 percent rule” must all attendance areas with 35% poverty be served?
  - No; school attendance areas with 35% poverty must be included in the rank order, but LEAs may still serve according to rank.



## How does an LEA handle carryover when allocating to school attendance areas?

- You have options!
- Add carryover to the LEA's subsequent year's allocation and distribute to participating areas in accordance with allocation procedures
- Designate carryover funds for particular activities that could benefit from additional funding (e.g. parental involvement, schools with highest concentration of poverty)



## Can an LEA allocate greater per-pupil amount to SW program than TA program?

- Poverty is the only factor on which an LEA may determine funding. LEA may not allocate funds based on instructional model, educational need, or any other non-poverty factor.





## Other ESSA Fiscal Issues

**WE'VE  
GOT  
ISSUES**

## ■ Maintenance of Effort (MOE) Sec. 1118(a) and 8521

- The combined fiscal effort per student or the aggregate expenditures of the LEA
- from state and local funds
- from preceding year must not be less than 90% of the second preceding year

## ► MOE Consequences (cont.) Sec. 8521(b)

### 5 Year Penalty-Free

- LEA is not subject to sanctions for failing to maintain 90% effort for one year (either combined fiscal per student or aggregate State and agency expenditures) provided it has not failed to meet MOE for one or more of five immediately preceding fiscal years.



## ▀ MOE Waiver Sec. 8521(c)

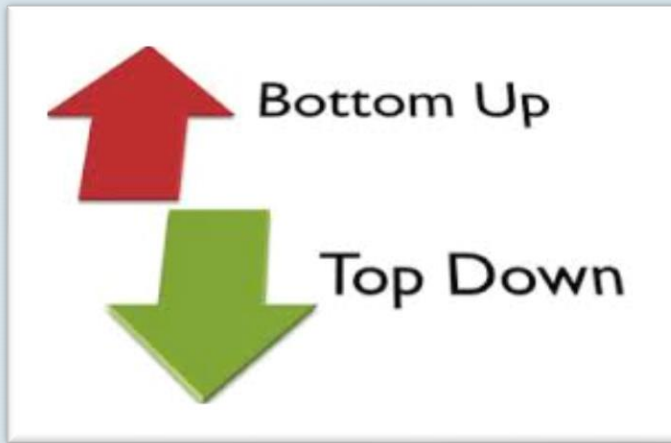
Secretary of Education may waive MOE if “equitable:”

- Exceptional or uncontrollable circumstances, such as a natural disaster; or
- **(NEW)** a change in the organizational structure of the LEA; or
- A precipitous decline in the financial resources of the LEA.

Waiver = meeting MOE!

## Per Pupil Reporting Sec. 1111(h)(1)-(2)

- LEA report cards must include per pupil expenditures of Federal, state and local funds.
  - May delay this to 2018-19 school year.
  - States are not required to develop uniform accounting principles for assigning costs as school-level or LEA level
  - ED provider suggests 4 approaches



## Per Pupil Reporting Sec. 1111(h)(1)-(2)

- (1) SEA specifies functions to be coded to schools
- (2) SEA specifies a set of conditions for when costs are to be reported to the school level
- (3) LEAs determine what should be coded to the school directly so that what can be compared is the total of the school's expenditures plus LEA costs
- (4) SEA specifies some expenditures to be assigned to schools, but permits district discretion on others

## Comparability Sec. 1118(c)

- LEA may receive funds “only if State and local funds will be used in schools served ... to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving funds under this part.”

## Comparability Sec. 1118(c)

- Written Assurance
- Determination
  - Per pupil from state and local funds
  - Instructional salaries per pupil from State and local
  - Teacher-to-student ratios from State and local





## Comparability – OSS Performance Review Findings

- Ensure that any LEAs that have failed to meet comparability take sufficient corrective action to address the issues and provide comparable services at Title I and non-Title I schools.
  - Includes:
    - Specific timelines for LEAs to resolve issues;
    - Types of evidence that the LEA is required to submit to demonstrate completion of any corrective action;
    - Consequences for failure to take timely corrective action; and
    - Designation of staff responsible for overseeing the process.



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