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To: District Superintendents
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Subject: Important Changes to Title II, Part A Funding Formulas

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As a result of the enactment of the Every Student Succeeds Act (ESSA) in December 2015, the funding formulas by which Title II, Part A allocations are determined for State Educational Agencies (SEAs), Local Educational Agencies (LEAs), and participating nonpublic schools will change, starting with the 2017-18 school year. Below are details about the changes that will be implemented and their potential implications for the New York State Education Department (NYSED or “the Department”) and LEAs across New York State.

Changes In How SEA Allocations Are Determined:

Under NCLB, the United States Department of Education (USDE) first allotted to each SEA the amount of funds the SEA received for FY 2001 under the former Eisenhower Professional Development and Class-Size Reduction programs. For the purposes of allocating funds to States under ESSA, USDE refers to this amount as the “base hold-harmless amount.” For the purposes of allocating funds to SEAs under ESSA, NYSED’s Title II, Part A Based Hold-Harmless Amount is established at \$179,135,506.

Under current legislation, starting in 2017-18 the base hold-harmless amount will be phased out over the next several years. As a result of the phasing out of SEA-level hold harmless protections and changes to the state-level funding formula, the Congressional Research Service estimates that New York’s Title II, Part A allocation **will decrease by approximately \$60 million by 2023-2024**, as detailed in the chart below:

School Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Estimated NYSED Title IIA Allocation (in thousands)	\$179,526	\$170,781	\$162,102	\$153,488	\$144,758	\$136,028	\$127,316

A decreasing amount of Title II, Part A funds allocated to NYSED will result in generally smaller allocations to most LEAs in the coming years. The Congressional Research Service’s

estimates are based on the provisions of current law and do not take into account any future actions that might be taken by Congress and the Trump administration.

Changes In How LEA Allocations Are Determined:

Under NCLB, LEAs were afforded “hold harmless” protections under Title II Part A. **Under ESSA, the LEA-level hold-harmless provision is eliminated immediately, starting with 2017-18 allocations.** Due to this change, NYSED must now distribute Title II, Part A funds based on a district’s share of the census population ages 5 through 17 (20% of funds), and based on a district’s share of census poverty population ages 5 through 17 (80% of funds).

NYSED has not yet received 2017-18 allocation information from USDE in order to begin making allocation determinations for LEAs. However, NYSED anticipates that the changes described above may cause LEA allocations for 2017-18 to vary significantly from past years, depending on an LEA’s population and poverty count changes and the removal of the “hold harmless” component. NYSED strongly encourages LEAs to take these factors into consideration when planning and budgeting for the 2017-18 school year to ensure that critical activities supported with Title II, Part A funds can continue in the event that an LEA’s allocation decreases.

Changes In How Nonpublic School Allocations for Services Are Determined:

ESSA also introduces an important change to the way the Title II, Part A “set-aside” for private school educators is calculated. Under NCLB, the proportionate share of funds was calculated based only on the amount of an LEA’s Title II, Part A allocation that was earmarked for professional development. That methodology allowed LEAs to eliminate from the proportionate share formula any budgeted amounts for administrative costs, class size reduction, recruitment activities, transferability, or indirect costs.

Starting in 2017-18, an LEA must determine the proportionate share of Title II funds available for equitable services based on the LEA’s **total** Title II, Part A allocation, less only administrative costs. LEAs **may not** reduce their Title II, Part A allocation amount by the amount of funds allocated for class size reduction, recruitment activities, transferability, or indirect costs before calculating proportionate share amounts for nonpublic schools.

LEAs must determine the amount of funds available for Title II, Part A equitable services for private school teachers and other educational personnel by calculating, on a per-pupil basis, the amount available for all public and private school students enrolled in participating private elementary and secondary schools in areas served by the LEA (regardless of a student’s residency), taking into consideration the number and needs of the children, their teachers and other educational personnel to be served.

The chart below provides an example of this new process:

EXAMPLE OF FORMULA TO DETERMINE AMOUNT FOR TITLE II, PART A EQUITABLE EXPENDITURES FOR NON-PUBLIC SCHOOLS	
A. Number of Students	
A1: LEA Enrollment	900
A2: Participating Private School Enrollment	100
A3: Total Enrollment (A1 + A2)	1,000
B. Title II, Part A Allocation	
B1: Total LEA Allocation	\$1,000,000
B2: Administrative Costs (For Public and Private School Programs) ¹	\$50,000
B3: LEA Allocation Minus Administrative Costs (B1 – B2)	\$950,000
C. Per Pupil Rate	
C1: B3 Divided by A3	\$950
D. Equitable Services	
D1: Amount LEA Must Reserve for Equitable Services for Private School Teachers and Other Educational Personnel (A2 x C1)	\$95,000

¹ LEAs should discuss administrative costs for implementing equitable services during consultation with appropriate nonpublic school officials.

Additional information about the changes outlined above can be found in non-regulatory guidance issued by the United States Department of Education (USDE) that is available online at <https://www2.ed.gov/policy/elsec/leg/essa/essaguidance160477.pdf>.

If you have any questions about the changes in Title II, Part A funding, please contact the Title I School and Community Services Office at 518-473-0295 or by email at conappta@nysed.gov.