

**MEMORANDUM**

September 13, 2016

**To:** Honorable Senator Richard Burr  
Attention: Christopher Toppings

**From:** Jeff Kuenzi, Specialist in Education Policy, 7-8645

**Subject:** **Title II-A Local Education Agency Grant Estimates for North Carolina Under Two Scenarios**

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This memorandum is in response to your request for analysis of the allocation of grant funds under Title II-A of the Elementary and Secondary Education Act (ESEA), as amended by the Every Student Succeeds Act (ESSA). Part A of Title II authorizes the Secretary of Education to award federal funds for preparing, training, and recruiting K-12 teachers and principals. After a series of reservations for specified purposes, Title II-A funds are awarded to the 50 states, the District of Columbia, and Puerto Rico according to a formula based on student population and poverty counts.<sup>1</sup> States may reserve up to 5% of their awards for state activities and the remainder is to be subgranted to local education agencies (LEA).

You asked CRS to estimate what North Carolina's LEAs might receive under two specified scenarios: (1) ESSA formula factors for FY2017, but without the ESSA-mandated 14.29% reduction in the state hold harmless provision (also known as the "base guarantee"), and (2) ESSA formula factors for FY2023 including elimination of base guarantee. You asked that both scenarios be run at the funding level requested in the President's FY2017 budget (i.e., \$2,250,000,000).

This memorandum provides a brief explanation of the formula allocation rules under ESSA. Since these rules are based on those in prior law, it is useful to first review the formula as authorized under the No Child Left Behind Act (NCLB). Following this discussion are estimated LEA grants for North Carolina.

### **Title II-A Under NCLB**

Under NCLB, states were provided a base guarantee of funding equal to the amount the state received for FY2001 under three antecedent programs.<sup>2</sup> Any excess funding was allocated by formula among the states based on each state's share of the total school-age population (age 5 to 17) and the school-age population living in poverty. Of the excess funds, 35% was allocated according to the school-age

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<sup>1</sup> More information on ESEA Title II-A can be found in CRS Report R41267, *Elementary and Secondary School Teachers: Policy Context, Federal Programs, and ESEA Reauthorization Issues*, by Jeffrey J. Kuenzi.

<sup>2</sup> The programs, Eisenhower Professional Development, Class Size Reduction, and Staff Assistance, were repealed by passage of the No Child Left Behind Act of 2001 (P.L. 107-110). Note that the FY2016 funding legislation included an additional 4% set-aside beyond the statutory 0.5% reservation for national activities. See pages 129 STAT. 2629-30 of the Consolidated Appropriations Act, FY2016 (P.L. 114-113).

population and 65% was allocated according to the school-age population living in poverty. The law further assured that each state received no less than 0.5% of the excess.

States were allowed to reserve up to 5% of their awards for state activities and the remainder was to be subgranted to LEAs. LEA subgrants were subject to the same FY2001 base guarantee as state grants. Twenty percent of the excess was allocated based on each LEA’s share of the state’s school-age population and 80% was allocated based on each LEA’s share of the state’s school-age population living in poverty. No minimum amount was specified for LEA subgrants.

**Title II-A Under ESSA**

For Title II-A state grants, the Every Student Succeeds Act (ESSA, P.L. 114-95) amended both the base guarantee and formula factors. The ESSA reduces each state’s base guarantee 14.29 percentage-points for each year between FY2017 and FY2022 and eliminates the base guarantee beginning in FY2023. The ESSA gradually shifts the state grant formula factors to put more weight on poverty and less weight on population; specifically, the poverty/population ratio is 65/35 for FY2017, 70/30 for FY2018, 75/25 for FY2019, and 80/20 for FY2020 and subsequent years.

For LEA subgrants, the ESSA eliminates the base guarantee and leaves the formula’s poverty/population ratio unchanged; i.e., the basis for LEA subgrants remains at 80% poverty and 20% population.

**Table 1** presents estimated Title II-A LEA grant allocations for North Carolina under the two state grant scenarios you specified; i.e., (1) ESSA formula factors for FY2017, but without the ESSA-enacted 14.29% reduction in the state base guarantee, and (2) ESSA formula factors for FY2023 and base guarantee elimination. Both runs are estimated at a total appropriation of \$2,250,000,000. For LEA subgrants under both scenarios, there is no base guarantee and formula factors are 80/20 so the LEA share is the same under both scenarios. Note that these estimates are calculated based on the latest available population and poverty counts and do not account for likely future change in these data.

**Table I. ESEA Title II-A LEA Grants for North Carolina**  
Total Appropriation at \$2.250 Billion

A	B	C	D	E
LEA	LEA Share	FY2017 Under ESSA Formula Factors, but Without Base Guarantee Reduction	FY2023 Under ESSA Provisions	D - C
Alamance-Burlington Schools	1.54%	\$733,720	\$1,076,344	\$342,624
Alexander County Schools	0.33%	159,675	234,238	74,563
Alleghany County Schools	0.11%	52,436	76,921	24,485
Anson County Schools	0.33%	156,347	229,357	73,010
Ashe County Schools	0.27%	126,499	185,570	59,071
Asheboro City Schools	0.36%	173,868	255,059	81,191
Asheville City Schools	0.27%	130,619	191,614	60,995

A	B	C	D	E
LEA	LEA Share	FY2017 Under ESSA Formula Factors, but Without Base Guarantee Reduction	FY2023 Under ESSA Provisions	D - C
Avery County Schools	0.15%	73,519	107,850	34,331
Beaufort County Schools	0.53%	250,479	367,445	116,966
Bertie County Schools	0.24%	112,854	165,552	52,698
Bladen County Schools	0.48%	228,793	335,632	106,839
Brunswick County Schools	1.09%	518,235	760,234	241,999
Buncombe County Schools	1.60%	764,323	1,121,237	356,914
Burke County Schools	0.90%	430,017	630,821	200,804
Cabarrus County Schools	1.35%	643,347	943,769	300,422
Caldwell County Schools	0.84%	402,426	590,346	187,920
Camden County Schools	0.08%	36,125	52,995	16,870
Camp Lejeune Schools	0.13%	61,010	89,500	28,490
Carteret County Schools	0.55%	261,432	383,512	122,080
Caswell County Schools	0.23%	109,268	160,293	51,025
Catawba County Schools	0.95%	454,039	666,061	212,022
Chapel Hill-Carrboro Schools	0.42%	198,042	290,521	92,479
Charlotte-Mecklenburg Schools	9.56%	4,558,721	6,687,498	2,128,777
Chatham County Schools	0.56%	267,226	392,012	124,786
Cherokee County Schools	0.28%	133,046	195,175	62,129
Clay County Schools	0.10%	47,749	70,047	22,298
Cleveland County Schools	1.16%	551,369	808,840	257,471
Clinton City Schools	0.26%	122,935	180,342	57,407
Columbus County Schools	0.55%	263,460	386,487	123,027
Craven County Schools	1.07%	509,539	747,477	237,938
Cumberland County Schools	3.43%	1,636,259	2,400,339	764,080
Currituck County Schools	0.19%	89,719	131,615	41,896
Dare County Schools	0.25%	119,392	175,144	55,752
Davidson County Schools	1.09%	521,927	765,650	243,723
Davie County Schools	0.37%	174,506	255,995	81,489
Duplin County Schools	1.02%	484,671	710,996	226,325

A	B	C	D	E
LEA	LEA Share	FY2017 Under ESSA Formula Factors, but Without Base Guarantee Reduction	FY2023 Under ESSA Provisions	D - C
Durham Public Schools	2.67%	1,272,121	1,866,161	594,040
Eastern Cherokee Reservation	0.12%	59,579	87,400	27,821
Edenton-Chowan Schools	0.19%	89,915	131,903	41,988
Edgecombe County Schools	0.58%	277,241	406,703	129,462
Elkin City Schools	0.05%	26,110	38,303	12,193
Forsyth County Schools	4.24%	2,022,182	2,966,477	944,295
Fort Bragg Schools	0.21%	98,308	144,214	45,906
Franklin County Schools	0.62%	296,036	434,275	138,239
Gaston County Schools	2.07%	984,486	1,444,209	459,723
Gates County Schools	0.11%	53,151	77,971	24,820
Graham County Schools	0.11%	50,643	74,291	23,648
Granville County Schools	0.49%	231,834	340,093	108,259
Greene County Schools	0.28%	134,396	197,155	62,759
Guilford County Schools	5.24%	2,495,839	3,661,316	1,165,477
Halifax County Schools	0.40%	190,740	279,810	89,070
Harnett County Schools	1.63%	777,414	1,140,442	363,028
Haywood County Schools	0.53%	252,631	370,601	117,970
Henderson County Schools	0.96%	455,279	667,879	212,600
Hertford County Schools	0.27%	130,249	191,071	60,822
Hickory City Schools	0.31%	149,444	219,230	69,786
Hoke County Schools	0.73%	348,820	511,708	162,888
Hyde County Schools	0.05%	25,094	36,813	11,719
Iredell-Statesville Schools	1.19%	569,365	835,241	265,876
Jackson County Schools	0.29%	135,963	199,454	63,491
Johnston County Schools	1.96%	934,254	1,370,520	436,266
Jones County Schools	0.12%	58,631	86,010	27,379
Kannapolis City Schools	0.43%	203,416	298,405	94,989
Lee County Schools	0.72%	345,383	506,666	161,283
Lenoir County Schools	0.81%	384,432	563,949	179,517

A	B	C	D	E
LEA	LEA Share	FY2017 Under ESSA Formula Factors, but Without Base Guarantee Reduction	FY2023 Under ESSA Provisions	D - C
Lexington City Schools	0.29%	137,125	201,158	64,033
Lincoln County Schools	0.70%	334,204	490,267	156,063
Macon County Schools	0.36%	169,817	249,116	79,299
Madison County Schools	0.20%	97,717	143,348	45,631
Martin County Schools	0.28%	131,951	193,568	61,617
McDowell County Schools	0.46%	217,113	318,498	101,385
Mitchell County Schools	0.15%	71,340	104,654	33,314
Montgomery County Schools	0.34%	160,229	235,051	74,822
Moore County Schools	0.89%	425,678	624,456	198,778
Mooresville City Schools	0.25%	117,901	172,957	55,056
Mount Airy City Schools	0.12%	55,834	81,907	26,073
Nash-Rocky Mount Schools	1.30%	619,923	909,407	289,484
New Hanover County Schools	1.75%	833,311	1,222,440	389,129
Newton-Conover City Schools	0.25%	121,392	178,078	56,686
Northampton County Schools	0.26%	122,651	179,926	57,275
Onslow County Schools	1.49%	709,154	1,040,306	331,152
Orange County Schools	0.40%	188,426	276,415	87,989
Pamlico County Schools	0.12%	57,865	84,886	27,021
Pasquotank County Schools	0.42%	200,557	294,211	93,654
Pender County Schools	0.53%	251,271	368,606	117,335
Perquimans County Schools	0.14%	67,726	99,352	31,626
Person County Schools	0.40%	189,097	277,400	88,303
Pitt County Schools	1.95%	931,377	1,366,301	434,924
Polk County Schools	0.17%	79,051	115,966	36,915
Randolph County Schools	1.21%	578,891	849,214	270,323
Richmond County Schools	0.69%	329,754	483,739	153,985
Roanoke Rapids City Schools	0.19%	90,699	133,052	42,353
Robeson County Schools	2.67%	1,273,185	1,867,722	594,537
Rockingham County Schools	0.95%	451,089	661,733	210,644

A	B	C	D	E
LEA	LEA Share	FY2017 Under ESSA Formula Factors, but Without Base Guarantee Reduction	FY2023 Under ESSA Provisions	D - C
Rowan-Salisbury Schools	1.48%	704,763	1,033,865	329,102
Rutherford County Schools	0.77%	365,433	536,078	170,645
Sampson County Schools	0.74%	355,008	520,785	165,777
Scotland County Schools	0.55%	263,617	386,718	123,101
Stanly County Schools	0.55%	260,831	382,630	121,799
Stokes County Schools	0.37%	176,033	258,234	82,201
Surry County Schools	0.59%	281,232	412,559	131,327
Swain County Schools	0.09%	40,924	60,034	19,110
Thomasville City Schools	0.26%	123,911	181,773	57,862
Transylvania County Schools	0.28%	131,963	193,586	61,623
Tyrrell County Schools	0.05%	22,660	33,242	10,582
Union County Public Schools	1.84%	877,339	1,287,028	409,689
Vance County Schools	0.68%	325,896	478,080	152,184
Wake County Schools	7.35%	3,502,871	5,138,599	1,635,728
Warren County Schools	0.23%	111,583	163,688	52,105
Washington County Schools	0.19%	90,000	132,027	42,027
Watauga County Schools	0.26%	123,857	181,695	57,838
Wayne County Public Schools	1.77%	845,746	1,240,682	394,936
Weldon City Schools	0.10%	48,764	71,536	22,772
Whiteville City Schools	0.21%	100,400	147,283	46,883
Wilkes County Schools	0.79%	376,423	552,200	175,777
Wilson County Schools	1.34%	640,081	938,978	298,897
Yadkin County Schools	0.40%	190,260	279,106	88,846
Yancey County Schools	0.18%	85,468	125,378	39,910
NC Total	100%	\$47,669,938	\$69,930,272	\$22,260,334

**Source:** Table prepared by CRS September 13, 2016, based on data provided by the U.S. Department of Education, Budget Service.

**Notes:** Estimated grants may not sum to totals due to rounding. These are estimated grants only. In addition to other limitations, data which will be used to calculate final grants are not yet available. These estimates are provided solely to assist in comparisons of the relative impact of alternative formulas and funding levels in the legislative process. They are not intended to predict specific amounts states will receive.

