

## MEMORANDUM

## Staff Summary No. 4

**Date:** January 14, 2015

**To:** Members of the California School Finance Authority

**From:** Katrina M. Johantgen, Executive Director

**Subject:** Consideration of Appeal Regarding the Charter School Facility Grant Program – Ballington Academy for the Arts and Sciences

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At a meeting of the California School Finance Authority (CSFA) on December 11, 2014, Ballington Academy for the Arts and Sciences (Ballington) appealed staff's determination of ineligibility of the school's 2013-14 award under the Charter School Facility Grant Program (Program). The board asked staff for more detail on the impact to currently invoiced schools of basing eligibility on K-12 (grades) or 5-17 (ages) datasets. This memo outlines Ballington's request, and CSFA's historic practice and justification for using the K-12 dataset to determine program eligibility.

**Background:** The Charter School Facility Grant Program was enacted by Senate Bill (SB) 740 (Chapter 892, Statutes of 2001, Education Code Section 47614.5) in 2001, and provides funding assistance to charter schools for rent and lease expenditures that meet specific eligibility criteria. From its inception in 2002, the Program was administered by the California Department of Education (CDE) until 2013-14 when the Program administration was transferred to CSFA. As it relates to program eligibility, the law states that, "[a] charter schoolsite is eligible for funding pursuant to this section if the charter schoolsite meets either of the following conditions: (A) The charter schoolsite is physically located in the attendance area of a public elementary school in which 70 percent or more of the **pupil enrollment is eligible for free or reduced-price meals** and the schoolsite gives a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter schoolsite is located. (B) Seventy percent or more of the **pupil enrollment at the charter schoolsite is eligible for free or reduced-price meals.**" (emphasis added)

Free and Reduced-Price Meal data is collected and disseminated by CDE. This information is used for a variety of funding determinations for state and federal programs. CDE FRPM data files include school-level FRPM eligible data for K-12 students, as well as for students who are ages 5-17 who have primary or short-term enrollment in the school as of Fall Census Day (October 1, 2014). In administering the Program, CSFA follows the practice established by CDE of using the K-12 student data to determine Program eligibility. CDE's website page for "Unduplicated Student Poverty – FRPM Data 2013-14" contains a chart setting forth programs that use FRPM counts and percentages to determine funding or grant eligibility and identifies the specific data in the file that each program uses. This chart clearly states that the Charter School Facility Grant Program uses column "S", "Adjusted Percent (%) Eligible FRPM (K-12). Additionally, when doing a query through "DataQuest" on the CDE website for Free or Reduced Price Meals for a particular school (via "School Summary Data"), the resultant report is reflective of the K-12 student data (not 5 -17 data), as reported by CDE.

## Data Purposes

The free and FRPM counts and percentages are used by a number of programs to determine funding or grant eligibility. Some of the programs are listed below with the specific data in the file that are used:

Program	Column	Field/Description	Purpose
Title I	Z	Adjusted Percent (%) Eligible FRPM (Ages 5–17)	Used to determine funding allocation for county offices of education and direct funded charter schools.
Economic Impact Aid (EIA)	TVW	Enrollment (Ages 5–17); Adjusted Free Meal Count (Ages 5–17); Adjusted Percent (%) Eligible Free (Ages 5–17)	Used to determine EIA funding.
After School Education and Safety Program	Z	Adjusted Percent (%) Eligible FRPM (Ages 5–17)	Used to determine grant eligibility.
21 <sup>st</sup> Century Community Learning Centers Program	Z	Adjusted Percent (%) Eligible FRPM (Ages 5–17)	Used to determine grant eligibility.
E-Rate	S	Adjusted Percent (%) Eligible FRPM (K–12)	Used to determine grant eligibility.
Charter School Facility Grant Program	S	Adjusted Percent (%) Eligible FRPM (K–12)	Used to determine grant eligibility.
Carl D. Perkins Career and Technical Education Improvement Act of 2006 (Section 131 funds)	TYZ	Enrollment (Ages 5–17); Adjusted FRPM Count (Ages 5–17); Adjusted Percent (%) Eligible FRPM (Ages 5–17)	Used to determine funding allocation for county offices of education and direct funded charter schools.

**Issue:** For its 2013-14 Annual Entitlement calculations, CSFA staff used 2012-13 FRPM data to assess schools' eligibility. Similar to our process to complete 2012-13 true-up analyses on behalf of CDE, CSFA staff used K-12 FRPM data rather than 5-17 pupil data. Because Ballington Academy for the Arts and Sciences' FRPM was 15.55% in 2012-13, CSFA looked to the FRPM of its attendance area elementary school, Margaret Hedrick Elementary, which had reported FRPM of 73.75% for 2012-13. Ballington received an advance apportionment in October 2013, and its second disbursement in March 2014 for a combined award of \$126,562.

During CSFA's true-up analysis in the Summer / Fall of 2014, CSFA received 2013-14 FRPM data from CDE, which showed that Margaret Hedrick Elementary's FRPM had dropped from 73.73% to 69.6%, rendering Ballington ineligible. Pursuant to the true-up process prescribed by law, Ballington's eligibility was evaluated using current data, and CSFA determined that Ballington was ineligible for the 2013-14 award, and therefore owed its advance and second disbursements totaling \$126,562 back to the Program. After the first notice of ineligibility, Ballington appealed staff's decision, arguing that the CDE's data was incorrect. CSFA informed the school that their eligibility could be reassessed if they could provide CSFA with updated FRPM data from CDE. Because the school was unable to provide revised data from the CDE, staff's ineligibility determination remained in place.

Ballington further appealed CSFA's determination on the basis of information Ballington Academy obtained from the El Centro Elementary School District that reflected Margaret Hedrick Elementary's FRPM at 70.2% for students aged 5-17. This data was provided in correspondence from El Centro Elementary School District to Ballington and confirmed the K-12 FRPM of 69.9% and 5-17 FRPM of 70.2% in an attached CALPADS data report accurately reflected the District's counts as of Census Day, October 1<sup>st</sup>, 2013. Ballington requested that CSFA take into account not only the CDE data for students aged 5-17, but all other verifiable data. Ballington further contends that the FRPM of a school should be presented as a two digit

value rather than the decimal it is presented as on CDE's data. In this case, the 69.6% that the school had would be rounded to 70%, making the school eligible.

**Recommendation:** CSFA staff recommends that the board deny the appeal on behalf of Ballington Academy for the Arts and Sciences based on the following:

1. FRPM data is commonly used to make funding determination as an indicator of student poverty, and the use of FRPM data to determine eligibility helps target grant funds to the intended population. Statute does not explicitly dictate that CSFA use K-12 (grades) or 5-17 (ages) FRPM data in determining eligibility.

In choosing to use K-12 FRPM data, CSFA is following the practice established by CDE, the Program's administrator from 2002 through 2013. This choice is a logical extension of language used in the Education Code, which, in discussing FRPM, refers to "pupil enrollment". "Pupil" does not suggest merely a person of a certain age, but clearly describes an individual enrolled in school. [See California Code of Regulations, Title 5, Division 1, Chapter 1, Subchapter 1, Section 2(g), regulations regarding General Provisions of the California Department of Education promulgated under Section 33031(a) of the Education Code, in which "Pupil" is defined as "a person enrolled in any grade K-12, in an ungraded class, or individual instruction."]

2. In addition to better meeting the spirit of using a metric to capture *student* poverty, looking at data for those students actually enrolled in school provides a result that is more comprehensive; K-12 data will include those students who are age 18 and older and enrolled in school, data which is excluded under the 5-17 data. CSFA's internal analysis demonstrated that for most charter schools, K-12 data provided more favorable results in terms of eligibility for the Program. In fact, if CSFA used the Age 5-17 dataset, there would be a 27% drop-off rate of eligible schools.

True-up Age K-12 Vs. FRPM5-17	
Eligible Schools K-12 Dataset	322
Eligible Schools Age 5-17 Dataset	235
Percent Decreased	-27%

Staff evaluated schools that were denied Program eligibility for the 2013-14 funding round, and found that only one other school was deemed ineligible using K-12 data that would have been deemed eligible if using 5-17 data.

3. The regulations strictly say, "Free or Reduced-Price Meal Eligibility shall mean the percentage of enrolled students who are eligible for free or reduced-price meals, **as reported by the Department**" (emphasis added). Not only is CSFA to obtain FRPM data from CDE only, but the data should be used "as reported" by CDE. In other words, CSFA should be using the data exactly as reported and should not round these numbers as requested by Ballington representatives. Sixty-nine point six percent (69.6%) is not 70% or higher (as prescribed in Statute) and shall not be eligible for the 2013-14 Program.