

FUND DISTRIBUTION PROCESS

Program: Indian School Equalization Program (ISEP) Formula Funds

Type of Funding: Recurring (Non Base) - Formula/15 Month

Funding Authority/Responsibility: 25 CFR Part 39; 25 U.S.C. 13 (The Snyder Act of November 2, 1921), 42 Stat. 208, P.L. 67-85; 90 Stat. 2233, P.L. 94-482; 25 U.S.C. 461 et seq. (The Indian Reorganization Act of 1934), 48 Stat. 984, P.L. 73-383; P.L. 103-263; 25 U.S.C. 450 (The Indian Self-Determination and Education Assistance Act), 88 Stat. 2203, P.L. 93-638, P.L. 100-472; 102 Stat. 2285, P.L. 103-413; 20 U.S.C. 6301 et seq. (The Elementary and Secondary Education Act of 1965), P.L. 89-10, P.L. 103-382; 20 U.S.C. 7401 et seq. (The No Child Left Behind Act of 2001), P.L. 107-110, Authorized through 2007; 25 U.S.C. 2001-2020 (The Education Amendments Acts of 1978) 92 Stat. 2143, P.L. 95-561, as amended; 25 U.S.C. 2501 et seq. (The Tribally Controlled Schools Act of 1988), 102 Stat. 385, P.L. 100-297, as amended; P.L. 114-95, The Every Student Succeeds Act of 2015 (ESEA reauthorization).

The Director, Bureau of Indian Education Programs has responsibility for these funds.

Criteria for Distribution:

ISEP distribution is based on the number of students attending school during the year and their academic needs. In calculating ISEP funding BIE first determines a school's Average Daily Membership (ADM). The ADM is based on the attendance of students during the entire year. The ADM is adjusted for special academic needs of students, as well as for other purposes, in order to arrive at a Weighted Student Unit (WSU). Distribution of ISEP funding is based on the number of WSU at each school. The ISEP formula provides additional funding for schools with residential programs.

Formula:

Each schools' ADM is weighted per 25 CFR Part 39 to account for the school's requirement for services including basic education, language development, gifted and talented programs, and residential requirements. There are also weights for small schools, isolated schools, the grade levels at a school, and any supplemental education programs the school offers due to student need. This generates the individual schools' total Weighted Student Unit (WSU) for the school year. The total WSU for the most recent school year is then averaged with the two previous school years' WSU data to arrive at a three year rolling average. This three-year rolling average is then used to distribute ISEP funds.

The law stipulates that one percent of ISEP funding be set aside for contingencies at BIE schools. The BIE also sets aside \$600,000 to resolve student count appeals, after which any remaining balance is distributed to schools via the formula.

BIE then distributes ISEP funding to schools on a dollar amount per WSU. The per WSU amount is calculated by taking the appropriated ISEP formula fund amount, subtracting one percent of the appropriated amount for contingencies at BIE-funded schools, subtracting an additional \$600,000 for student count appeals, and dividing the remaining amounts by the BIE's total WSU.

Distribution Process:

- IA Budget notifies the Bureau of Indian Education Budget of the total ISEP Funds for the upcoming school year as appropriated by Congress. (within 5 days of apportionment)

- BIE finalizes individual school counts, calculates each school's three-year rolling average WSU, calculates the BIE's total WSU, and then determines each school's ISEP allocation for the upcoming school year. (Within 30 days)
- On July 1st, BIE distributes 80% of each school's calculated ISEP allocation as required by regulation.
- The balance of ISEP Funds (approximately 20%) is distributed to the schools by December 1st of the current school year.
- The schools expend for the school year.
- If a school chooses to appeal their Weighted Student Unit (WSU) count, OIEP adheres to the appeal process.