Indian School Equalization Program

*Indian School Equalization Formula (ISEF)*

Listening Session

Sharon Pinto, Deputy Bureau Director, BIE
Lawrence Palmer, Budget Officer, BIE

November 16, 2023
New Orleans, LA
Listening Session Goals

Listen, take input, and move forward on recommendations that support funding formula updates for BIE K-12 education programs

Agenda

- Review 25 CFR Part 39 – Indian Student Equalization Formula (ISEF)
- Highlight Base Academic and Special Cost Factors
- Present School Operations recommendations
- Listen and take stakeholder recommendations and comments
The Indian School Equalization Formula (ISEF) was established to allocate Indian School Equalization Program (ISEP) funds. The Office of Indian Education Programs (OIEP) applies ISEF to determine funding allocation for Bureau-funded schools.

The current ISEF regulation was written in 2005 and applies to all day and residential schools.
Uniformity in Application

25 CFR Subpart B – Indian School Equalization Formula

• The allocation formula is applied uniformly to all Bureau-funded schools.

• Formula funding factors are eligible students, base and supplemental funding factors, program participation weighted factors, and school size or location adjustments.

• The overall value of individual school allocations is based upon their funding factors and Congressional appropriations.
25 CFR Subpart B – Indian School Equalization Formula

ISEF is applied to Indian School Equalization Program (Funding)

Enacted ISEP Funding (thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Funding (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2020</td>
<td>415,351</td>
</tr>
<tr>
<td>FY2021</td>
<td>426,838</td>
</tr>
<tr>
<td>FY2022</td>
<td>440,787</td>
</tr>
<tr>
<td>FY2023</td>
<td>481,636</td>
</tr>
</tbody>
</table>

Annual funding is allocated among all BIE-funded schools per ISEF.
25 CFR Part § 39.103 What are factors used to determine base funding?

Base Academic Funding By Grade

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Base Academic</th>
</tr>
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<tbody>
<tr>
<td>Kindergarten</td>
<td>1.15</td>
</tr>
<tr>
<td>1-3</td>
<td>1.38</td>
</tr>
<tr>
<td>4-6</td>
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</tr>
<tr>
<td>7-8</td>
<td>1.38</td>
</tr>
<tr>
<td>9-12</td>
<td>1.50</td>
</tr>
</tbody>
</table>

- Funding factors reflect cost of providing services
- Varied base factors introduce complexity into the formula
- For example, current factors place Kindergarten 30% lower than 9-12
### 25 CFR Part § 39.103 Recommendation

**Evaluate Base Funding Factors By Grade Level**

#### Base Academic Funding By Grade

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<tr>
<td>9-12</td>
<td>1.50</td>
</tr>
</tbody>
</table>

Evaluate current educational service cost factors

Consider current priorities on Kindergarten and Early Childhood and Development programs and Kindergarten
25 CFR § 39.104 How must a school’s base funding provide for students with disabilities?

(a) Each school must provide for students with disabilities by:

(1) Reserving 15 percent of academic base funding to support special education programs; and

(2) Providing resources through residential base funding to meet the needs of students with disabilities under the National Criteria for Home-Living Situations.

(b) A school may spend all or part of the 15 percent academic base funding reserved under paragraph (a)(1) of this section on school-wide programs to benefit all students (including those without disabilities) only if the school can document that it has met all needs of students with disabilities with such funds, and after having done so, there are unspent funds remaining from such funds.

<table>
<thead>
<tr>
<th>Funding Calculation Source</th>
<th>Total Calculated ISEP Funding</th>
<th>Total Instruction (Instruction + 15% Spec Ed)</th>
<th>Boarding</th>
<th>Residential Language</th>
<th>Gifted and Talented</th>
<th>Small School</th>
<th>Small School Boarding</th>
<th>Small High School</th>
<th>School Board Training</th>
<th>Isolation Factor</th>
<th>Weighted Total Funding</th>
<th>15% Special Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Year Avg</td>
<td>$11,829,990</td>
<td>$9,538,550</td>
<td>$674,340</td>
<td>$0</td>
<td>$1,028,520</td>
<td>$518,200</td>
<td>$0</td>
<td>$63,270</td>
<td>$0</td>
<td>$7,100</td>
<td>$11,829,980</td>
<td>$1,430,780</td>
</tr>
</tbody>
</table>

Each school’s allocation and 15% reserve amount varies.
25 CFR § 39.105 Are additional funds available for special education?

(a) Schools may supplement the 15 percent base academic funding reserved under § 39.104 for special education with funds available under part B of the Individuals with Disabilities Education Act (IDEA). To obtain part B funds, the school must submit an application to OIEP. IDEA funds are available only if the school demonstrates that funds reserved under § 39.104(a) are inadequate to pay for services needed by all eligible ISEP students with disabilities.

<table>
<thead>
<tr>
<th>FUNDS PROVIDED BY THE DEPARTMENT OF EDUCATION IN 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>(School Year 2023-2024)</td>
</tr>
<tr>
<td>Amount ~$85 million - Individuals with Disabilities Education Act, P.L. 94-142 amended by P.L. 105-17, Part B</td>
</tr>
<tr>
<td>This program ensures all children with disabilities receive a free appropriate education that provides special education and related services designed to meet their unique needs - Ages 5 to 21</td>
</tr>
</tbody>
</table>


Evaluate ISEP SPED Requirements – Is 15% adequate?

Consider a separate SPED funding factor?
25 CFR § 39.107 Are schools allotted supplemental funds for special student and/or school costs?

Yes, schools are allotted supplemental funds for special student and/or school costs. ISEF provides additional funds to schools through add-on weights (called special cost factors).

ISEF adds special cost factors as shown in the following table.

<table>
<thead>
<tr>
<th>Cost Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gifted and talented students</td>
</tr>
<tr>
<td>Students with language development needs</td>
</tr>
<tr>
<td>Small school size</td>
</tr>
<tr>
<td>Geographic isolation of the school</td>
</tr>
</tbody>
</table>

These special cost factors provide additional school funding which totaled over $45M in the last school year.
25 CFR § 39.110 Can ISEF funds be distributed for the use of gifted and talented students?

Yes, ISEF funds can be distributed for the provision of G&T services.

§ 39.111

(b) Need services or activities not ordinarily provided by the school in order to fully develop those capabilities.

§ 39.112

There is no limit on number of students classified as gifted and talented.

§ 39.113 What are special accountability requirements?

If a school identifies more than 13 percent of its student population as gifted and talented the bureau will immediately audit the schools.

Nearly 67% of BIE funded schools report gifted and talented students

BIE funded schools receive nearly $14 million in G&T funding.
25 CFR § 39.121 What is the WSU for gifted and talented students?

The Weighted Student Unit (WSU) for a gifted and talented student is the base academic weight (see § 39.103) subtracted from 2.0. The following table shows the gifted and talented weights obtained using this procedure.

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<thead>
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<th>Base Academic</th>
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<table>
<thead>
<tr>
<th>Grade level</th>
<th>Gifted and Talented WSU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten</td>
<td>0.85</td>
</tr>
<tr>
<td>Grades 1 to 3</td>
<td>0.62</td>
</tr>
<tr>
<td>Grades 4 to 6</td>
<td>0.85</td>
</tr>
<tr>
<td>Grades 7 to 8</td>
<td>0.62</td>
</tr>
<tr>
<td>Grades 9 to 12</td>
<td>0.50</td>
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The WSU relationship between base academic and special cost factors is highlighted above.
### 25 CFR § 39.121 Recommendation

Consider WSU Review for gifted & talented students

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<td>0.50</td>
</tr>
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</table>

Do these special costs factors by grade require adjustment?

Consider impact of special cost factors on overall resource allocations

Would higher base academic weight provide more stable funding?
25 CFR § 39.130 Can ISEF funds be used for Language Development

Yes, school can use ISEF funds to implement Language Development programs that demonstrate the positive effects of Native language programs on students' academic success and English proficiency. Funds can be distributed to a total aggregate instructional weight of 0.13 for each eligible student.

25 CFR § 39.131 What is a Language Development Program?

(a) Students are not proficient in spoken or written English;
(b) Students are not proficient in any language;
(c) Students are learning their Native language for the purpose of maintenance or language restoration and enhancement;
(d) Students are being instructed in their Native language; or
(e) Students are learning non-language subjects in their Native language.

BIE provides more than $31.5 in ISEF language program funding. Nearly 100% of BIE-funded schools offer language development programs.
25 CFR § 39.136 Recommendation
Language Development programs are funded at 0.13 WSUs per student.

Recommendation – Evaluate WSU for Language Development Programs

Are the program participation guidelines too broad to support a specific and focused priority on Native American languages?

How does the Language Development program WSU compare to other special cost factors?

Consider impact of special cost factors on overall resource allocations – particularly base academic cost factors
25 CFR § 39.141 What is the amount of the Small School Adjustment?

(a) A school with a 3-year Average Daily Membership (ADM) of 50 or fewer students will receive an adjustment equivalent to an additional **12.5 base WSU**; or

(b) A school with a 3-year ADM of 51 to 99 students will use the following formula to determine the number of WSU for its adjustment. With X being the ADM the formula is as follows:

\[ \text{WSU adjustment} = \left(\frac{100-X}{200}\right) \times X \]

**Nearly 50 BIE-funded schools receive a Small School adjustment representing total over $2 million in additional funds.**
25 CFR § 39.143 What is a small high school?
(a) Is accredited under 25 U.S.C. 2001 (b);
(b) Is staffed with highly qualified teachers;
(c) Operates any combination of grades 9 through 12;
(d) Offers high school diplomas; and
(e) Has an ADM of fewer than 100 students.

*Small high schools can receive both a small school & small HS adjustment*

25 CFR § 39.144 What is the small high school adjustment?

<table>
<thead>
<tr>
<th>ADM of high school component</th>
<th>Amount of small high school adjustment</th>
<th>School receives a component small school adjustment under § 39.141</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 or fewer students</td>
<td>6.25 base WSU</td>
<td>Yes.</td>
</tr>
<tr>
<td>51 to 99 students</td>
<td>determined using the following formula: WSU = ((100–X)/200)*X/2</td>
<td>Yes.</td>
</tr>
<tr>
<td>50 or fewer students</td>
<td>12.5 base WSU</td>
<td>No.</td>
</tr>
<tr>
<td>51 to 99 students</td>
<td>determined using the following formula: WSU = ((100–X)/200)*X</td>
<td>No.</td>
</tr>
</tbody>
</table>
25 CFR § 39.1410143 Recommendation
Small School Adjustments

Recommendation – Consider the additional WSU value for small school adjustments

Consider the limited students eligible for overall cost factors (other special cost factors)

Consider the decreasing value of the small school adjustment on student count from 51-99 students. Is there support for a single WSU value for all small schools

Consider impact of special cost factors on overall resource allocations – particularly base academic cost factors

Consider national trends on student enrollment
25 CFR § 39.145  Is there an adjustment for small residential programs?

Yes, in order to compensate for the additional costs of operating a small residential program, OIEP will add to the total WSUs of each qualifying school as shown in the following table:

<table>
<thead>
<tr>
<th>Type of residential program</th>
<th>Number of WSUs added</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential student count of 50 or fewer ISEP-eligible students</td>
<td>12.5</td>
</tr>
<tr>
<td>Residential student count of between 51 and 99 ISEP-eligible students</td>
<td>Determined by the formula ((100-X)/200))X, where X equals the residential student count.</td>
</tr>
</tbody>
</table>
Recommendation – Consider the additional WSU value for residential programs

Consider the decreasing value of the small school adjustment on student count from 51-99 students. Is there support for a single WSU value for all small schools

Consider national trends on student enrollment and educational service costs

Consider impact of special cost factors on overall resource allocations
25 CFR § 39.160 Does ISEF provide supplemental funding for extraordinary costs related to a school’s geographic isolation?

Yes. Havasupai Elementary School, for as long as it remains in its present location, will be awarded an additional cost factor of 12.5 WSU.

25 CFR § 39.160 Recommendation

- Consider extraordinary costs related to additional isolated areas
- Consider isolated schools and educational services geographically impacted by weather as well as transportation
- Consider the impact of supporting isolated and geographical extraordinary costs related to challenging teacher retention and unsatisfactory housing on delivering educational services
25 CFR Indian Student Equalization Program

Indian Student Equalization Formula (ISEF)

Summary

- Reviewed key cost factor methodologies
- Provided BIE resource levels related for ISEP
- Reviewed recommended areas of consideration
Indian School Equalization Program Transportation Listening Session

Sharon Pinto, Deputy Bureau Director, BIE
Lawrence Palmer, Budget Officer, BIE

November 16, 2023
New Orleans, LA
• Non-Curricular Expenses
  • 25 CFR § 39.707
  • Extra-curricular Expenses
  • Fuel and Maintenance Runs, Medical, Special Services, etc.

• Non-ISEP Eligible Students
  • 25 CFR § 39.708

• Contingency Fund?
25 CFR Subpart G Focus Areas

• Road Types
  • Improved vs Unimproved
  • Update to 3 or More
  • Clear Definitions

25 CFR § 39.701

Unimproved roads means unengineered earth roads that do not have adequate gravel or other aggregate surface materials applied and do not have drainage ditches or shoulders.
NON-CURRICULAR TRANSPORTATION FUNDING


The following regulation sections which are highlighted in **yellow are being considered** as possible changes to the regulations.

These highlighted sections are informed by previous listening sessions conducted in the last 2 years.
§ 39.707 Are other expenses eligible for transportation funding?

(a) The following transportation expenses are eligible for transportation funding:

(1) Fuel and maintenance runs;

(2) Electricity and infrastructure maintenance for electric vehicles;

(3) Transportation home for medical or other emergencies;

(4) Transportation from school to treatment or special services programs;

(5) Transportation to after-school programs; and

(6) Transportation for day and boarding school students to attend instructional programs less than full-time at locations other than the school reporting the mileage.
§ 39.707 Are other expenses eligible for transportation funding?

Continued

(b) Examples of after-school programs covered by paragraph (a)(4) of this section include:

(1) **Athletics:**

(2) **Band:**

(3) **Detention:**

(4) Tutoring, study hall and special classes; and

(5) Extra-curricular activities such as arts and crafts.

_Schools drive thousands of miles supporting school activities that are not currently eligible for mileage reimbursement – this requires their funding from non-transportation resources._
FUNDING CONSIDERATIONS/CONTINGENCY FUND

• If 25 CFR § 39.707 is funded
  • Extra-curricular, Fuel and Maintenance Runs, etc.
  • Are there other non-funded costs to fund?

• How do we Fund it?
  • Prior Year Mileage Count?
  • Prior Year Actual Expense?
  • Contingency Fund?

• This decision impacts 25 CFR § 39.732
  • Way in which funds are allocated.
§ 39.708 Are miles generated by non-ISEP eligible students eligible for transportation funding?

Yes. Miles generated by non-ISEP-eligible students enrolled in and attending a school are eligible for student transportation funding.

BIE-funded schools drive thousands of miles supporting non-ISEP students supporting families and communities.
§ 39.732 How does BIE allocate transportation funds to schools?

BIE allocates transportation funds based on the types of transportation programs that the school provides. To allocate transportation funds BIE:

(a) Multiplies the one-way commercial costs for all schools by four to identify the total commercial costs for all schools;

(b) Subtracts the commercial cost total from the appropriated transportation funds;

(c) Subtracts the additional expenses as outlined in 39.707 that are reported on August 1 for the previous year and allocates the balance of the transportation funds to each school with a per-mile rate;

(d) Divides the balance of funds by the sum of the annual day miles and the annual residential miles to identify a per-mile rate;

(e) For day transportation, multiplies the per-mile rate times the annual day miles for each school; and

(f) For residential transportation, multiplies the per mile rate times the annual transportation miles for each school.
FUNDING CONSIDERATIONS (25 CFR § 39.732)

• How do we Fund it?
  • Prior Year Mileage Count?
    • Include all routes listed in 39.707.
    • Schools report mileage at year end.
  • Prior Year Actual Expense?
    • Use August 1st reporting.
    • Pro-rate based on Student Transportation funding allocation.
    • Provide August 1st reporting for budget request.
  • Contingency Fund?
    • Retain small percentage for schools to apply for contingency funding.
ROAD CATEGORIES/MILEAGE FACTORS

25 CFR § 39.701


Unimproved roads means unengineered earth roads that do not have adequate gravel or other aggregate surface materials applied and do not have drainage ditches or shoulders.

25 CFR § 39.701

BIE’s school system is unique in the challenge of delivering student transportation services on thousands of miles of unimproved roads.
CURRENT FUNDING FORMULAS

(a) For ISEP-eligible day students whose route is entirely over improved roads, calculate miles using the following formula:

\[ \frac{Tu + W + Th}{3} \times 180 \]

(b) For ISEP-eligible day students whose route is partly over unimproved roads, calculate miles using the following three steps.

(1) **Step 1.** Apply the following formula to miles driven over improved roads only:

\[ \frac{Tu + W + Th}{3} \times 180 \]

(2) **Step 2.** Apply the following formula to miles driven over unimproved roads only:

\[ \frac{Tu + W + Th}{3} \times 1.2 \times 180 \]

(3) **Step 3.** Add together the sums from steps 1 and 2 to obtain the total annual transportation miles.
NEW ROAD TYPE IMPLEMENTATION

• How do we determine road types?
  • BIA road database?
    • Needs updating.
    • Other source?

• How do we implement weights per each type?
  • Available data to back weights?

• Is this necessary is 25 CFR § 39.707 is funded?
• Is there an added value in using different weights?
Indian Student Equalization Program (ISEP)  
*Updates to Indian Student Equalization Formula (ISEF)*

ISEP Student Transportation  
*Update to transportation mileage eligibility reporting*

**Session Goals**

Listen, take input, and move forward on recommendations that support funding formula updates for BIE-funded schools.

**Comment Deadline:** 12/31/2023

- E-mail written comments to: consultation@bia.gov; OR
- Mail via US Postal Service to: Sharon Pinto, Deputy Bureau Director, BIE Building 2- Suite 352; 1011 Indian School Rd. NW; Albuquerque, NM 87104

Visit the BIE Tribal Consultation webpage for updates at: https://www.bie.edu/landing-page/consultations-initiatives