



TITLE I ALLOCATION FORMULAS

NATIONAL TITLE I CONFERENCE

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PRESENTERS

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OBJECTIVES

- Increase understanding of factors that affect the amount of Title I, Part A (Title I) funds a local educational agency (LEA) receives.
- Build awareness of the distinct roles of the U.S. Department of Education (ED) and State educational agencies (SEAs) in determining final LEA Title I allocations.
- Through discussion identify ways that ED can improve its communication about allocations.



AGENDA

- ED Calculations.
- SEA Adjustments to ED Calculations.
- Allocation Resources.
- Discussion.



ED Calculations



TITLE I ALLOCATION FORMULAS

Allocation Provisions of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA)



Step 1: ED calculations



Step 2: SEA adjustments to ED calculations



LEA's final Title I allocation



TITLE I ALLOCATIONS

THE ESEA REQUIRES ED TO CALCULATE TITLE I ALLOCATIONS BASED ON FOUR FORMULAS

- Basic Grants;
- Concentration Grants;
- Targeted Grants; and
- Education Finance Incentive Grants (EFIG).

TITLE I ALLOCATIONS

AN LEA'S TITLE I ALLOCATION GENERALLY EQUALS...

- The sum of the allocations the LEA receives through the four formulas

MINUS

- Amounts reserved from LEA allocations by an SEA for activities the ESEA requires or authorizes.

TITLE I ALLOCATIONS

FACTORS THAT DETERMINE LEA ALLOCATIONS

- Formula children.
- LEA hold-harmless.
- SEA adjustments.
- Funding level for fiscal year.
- State per-pupil expenditure.
- Small State minimum.
- State-reported LEA expenditure data and State per capita income data (EFIG only).

TITLE I ALLOCATIONS

FORMULA CHILDREN

DEFINITION OF TERM “FORMULA CHILDREN”

- Annually-updated poverty estimates by the Census Bureau (~97 percent of formula children); and
- State-reported counts of children in local institutions for neglected or delinquent children, publically-supported foster homes, and families receiving Temporary Assistance for Needy Families (TANF) assistance that exceeds the poverty level (~3 percent of formula children).



TITLE I ALLOCATIONS FORMULA CHILDREN

IMPORTANCE IN FORMULAS

- Basis of eligibility under each formula.
- Affects the amount of funds an eligible LEA receives under each formula.

TITLE I ALLOCATIONS FORMULA CHILDREN

BASIC GRANTS FORMULA ELIGIBILITY IN THE ESEA

An LEA is eligible for Title I funds through the **Basic Grants** formula if the LEA has at least 10 formula children and that number exceeds 2 percent of the Census Bureau's estimate of the LEA's ages 5 to 17 population.



TITLE I ALLOCATIONS FORMULA CHILDREN

CONCENTRATION GRANTS

FORMULA ELIGIBILITY IN THE ESEA

An LEA is eligible for Title I funds through the **Concentration Grants** formula if the LEA meets the Basic Grants eligibility criteria and its number of formula children exceeds 6,500 or 15 percent of the Census Bureau's estimate of the LEA's ages 5 to 17 population.



TITLE I ALLOCATIONS FORMULA CHILDREN

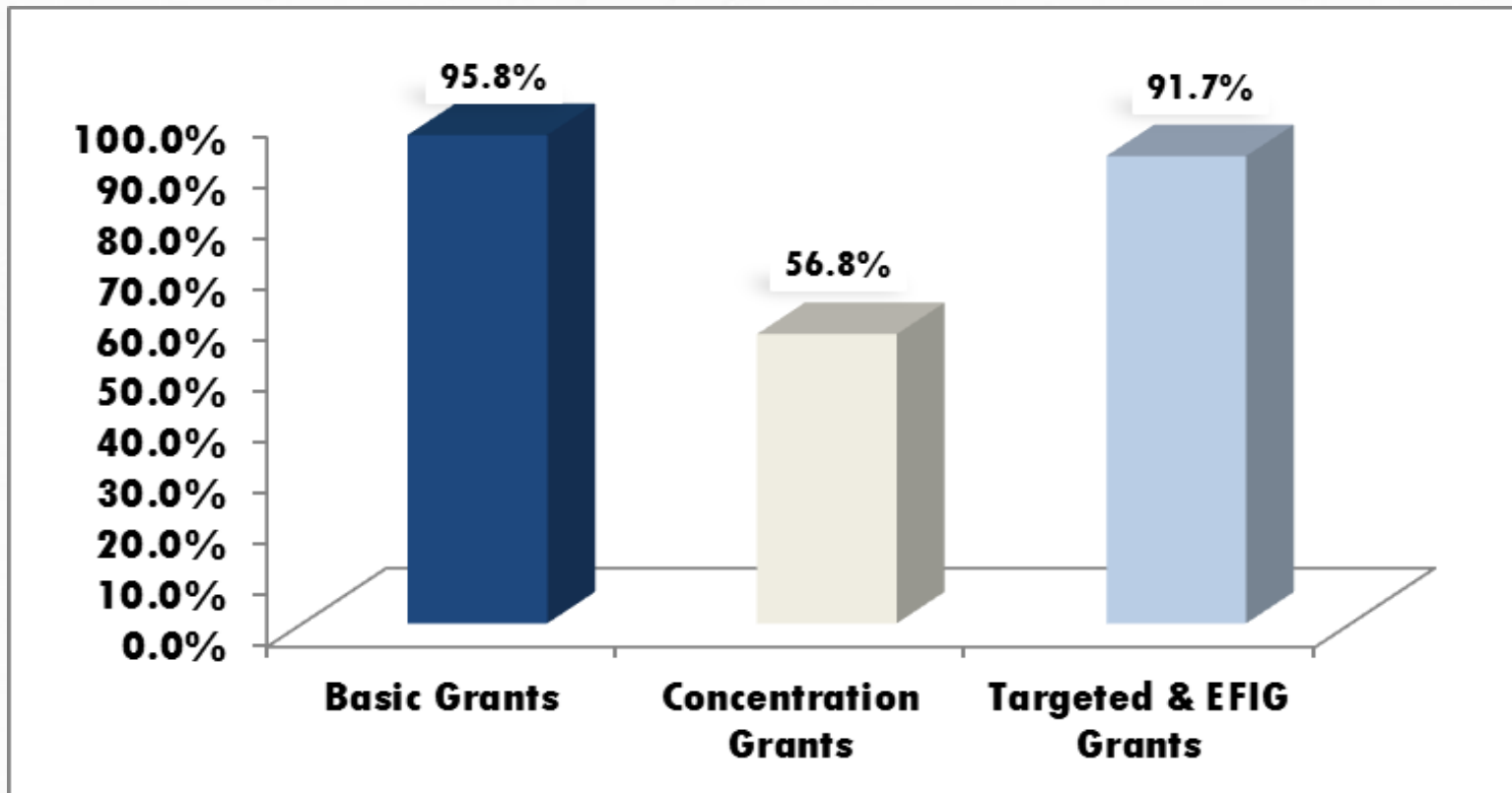
TARGETED AND EFIG GRANTS FORMULA ELIGIBILITY IN THE ESEA

An LEA is eligible for Title I funds through the **Targeted Grants formula and EFIG formula** if the LEA has at least 10 formula children and that number equals or exceeds 5 percent of the Census Bureau's estimate of the LEA's ages 5 to 17 population.



TITLE I ALLOCATIONS

PERCENTAGE OF LEAS ELIGIBLE FOR EACH FORMULA (SCHOOL YEAR 2017-2018)



TITLE I ALLOCATIONS FORMULA CHILDREN

FORMULA ELIGIBILITY CHECK: EXAMPLE

LEA	# Formula Children	# Ages 5-17	% Formula
LEA 1	345	874	39.47%
LEA 2	345	7,926	4.35%



TITLE I ALLOCATIONS FORMULA CHILDREN

HOW ELIGIBILITY AFFECTS ALLOCATIONS

School year 2017-2018 Title I funding levels:

- Basic Grants: ~ \$6.5 billion.
- Concentration Grants: ~ \$1.4 billion.
- Targeted Grants: ~ \$3.8 billion.
- EFIG: ~ \$3.8 billion.
- Total: ~ \$15.5 billion.



TITLE I ALLOCATIONS FORMULA CHILDREN

HOW ELIGIBILITY AFFECTS ALLOCATIONS

LEA	# Formula Children	Basic Grants	Concentration Grants	Targeted Grants	EFIG Grants	Total Allocation
LEA 1	345	\$286,117	\$71,586	\$167,262	\$179,550	\$704,516
LEA 2	345	\$255,913	\$0	\$0	\$0	\$255,913



TITLE I ALLOCATIONS

HOLD HARMLESS

- All four formulas provide for a variable hold-harmless rate of 85, 90, or 95 percent of an LEA's previous year's allocation.
- For the Basic, Targeted, and EFIG formulas, an LEA must meet the eligibility criteria in order for the hold-harmless protection to apply.
- For Concentration Grants, the hold-harmless provision applies to an LEA for four years after it last met the eligibility criteria.

TITLE I ALLOCATIONS

HOLD HARMLESS

AN LEA'S HOLD HARMLESS RATE DEPENDS ON ITS PERCENTAGE OF FORMULA CHILDREN

<p>Percentage of LEA formula children ages 5 to 17, inclusive, as a percentage of its total population of children ages 5 to 17, inclusive, and variable hold-harmless percentage</p>	<p>Hold-harmless applies on a formula-by-formula basis</p>
<p>(i) 30 percent or more: 95 percent</p> <p>(ii) 15 percent or more but less than 30 percent: 90 percent</p> <p>(iii) Less than 15 percent: 85 percent</p>	<ul style="list-style-type: none"> • To apply under Basic Grants, Targeted Grants, or Education Finance Incentive Grants, respectively, an LEA must meet the eligibility criteria for the respective formula. • To apply under Concentration Grants, an LEA must meet the eligibility criteria in the current year or have met the criteria at least once in the four years prior to the current year.



TITLE I ALLOCATIONS HOLD HARMLESS

EFFECT ON ALLOCATIONS: LEA 1 EXAMPLE

Formula	Prior Year Allocation	Current Year Before Hold Harmless	Current Year After Hold Harmless	% of Prior Year
Basic	\$301,176	\$261,087	286,117	95.0%
Concentration	\$75,354	\$65,487	71,586	95.0%
Targeted	\$172,790	\$171,912	167,262	96.8%
EFIG	\$189,000	\$165,946	179,550	95.0%
Total	\$738,320	\$664,432	\$704,515	95.4%



TITLE I ALLOCATIONS HOLD HARMLESS

FACTOR IN PLANNING FOR SUBSEQUENT YEAR

- Useful for an LEA to know whether its prior year allocation was at the hold harmless level.
- Possible indication that an increase in the LEA's number of formula children may not translate to a larger allocation for the subsequent year.



SEA Adjustments to ED Calculations



SEA ADJUSTMENTS

REASONS FOR SEA ADJUSTMENTS

- As noted earlier, Title I funds are distributed to LEAs through the Basic, Concentration, Targeted, and EFIG Grant formulas.
- The ESEA:
 - Requires an SEA to make adjustments to the allocations of “traditional LEAs” calculated by ED to account for “special LEAs” (i.e., LEAs for which Census poverty data are not available, such as charter school LEAs) and to reserve funds for school improvement; and
 - Authorizes an SEA to reserve up to a certain amount from LEAs for State administration and Direct Student Services.

ADJUST FORMULA COUNTS

FOR SPECIAL LEAS NOT ON CENSUS LIST

For each special LEA, the SEA uses alternative poverty data to derive a Census poverty count. The SEA then subtracts these counts from each traditional LEA.

LEA	Census Poverty	Poverty children enrolled	Percent of Poverty children	Adjusted Census Poverty
Traditional LEA 1	10,615	13,544	56.56%	6004
Charter LEA 1		392	1.64%	175
Charter LEA 2		730	3.05%	324
Sum of Other Charters		9280	38.75%	4112
Total	10,615	23,946	100.00%	10,615



ADJUST INITIAL ALLOCATIONS

SEA ADJUSTS ED-DETERMINED ALLOCATIONS BASED ON ADJUSTMENTS

The ESEA requires an SEA to calculate Basic, Concentration, Targeted, and FIG Grants for each special LEA by using the adjusted count from step 1 and adjusting the ED-determined allocations.

LEA	Adjusted Census Poverty	Basic Grant	Conc. Grant	Targeted Grant	FIG Grant	Total
ED-determined Traditional LEA 1	10,615	\$6,047,362	\$1,444,616	\$3,999,936	\$5,053,706	\$16,545,620
Traditional LEA 1	6,004	\$3,737,338	\$892,789	\$2,472,006	\$3,123,247	\$10,225,380
Charter LEA 1	175	\$95,264	\$22,757	\$63,011	\$79,611	\$260,643
Charter LEA 2	324	\$174,560	\$41,699	\$115,460	\$145,877	\$477,596
<i>Sum of Other Charters</i>	4,112	\$2,040,200	\$487,371	\$1,349,459	\$1,704,971	\$5,582,001



HOLD-HARMLESS PROVISION

VARIABLE HOLD-HARMLESS AND ITS APPLICATION

After adjusting the allocations of traditional and special LEAs, the ESEA requires an SEA to apply the hold-harmless requirements to the LEA allocations (including charter school LEAs) for Basic Grants, Concentration Grants, Targeted Grants,

Percentage of LEA formula children ages 5 to 17, inclusive, as a percentage of its total population of children ages 5 to 17, inclusive, and variable hold-harmless percentage	Hold-harmless applies on a formula-by-formula basis
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HOLD-HARMLESS PROVISION

WHY SUCH A DRASTIC DROP IN THE LEA'S ALLOCATION?

- Loss of Concentration Grant in 2017-18
- Formula child count dropped by 598
- Portion of increase went to School Improvement Reservation

Regular LEA 2 ED-Determined	Basic	Conc.	Targeted	EFIG	Total
2016-17	\$1,620,378	\$199,443	\$741,622	\$819,009	\$3,380,452
2017-18	\$1,377,321	\$ -	\$630,379	\$696,157	\$2,703,857

Regular LEA 2	ED-Determined	Census	Neglected	Foster	Formula Child Count	Pov %/HH @ 85%	ePeGS Allocation	SI Reserve
2012-2013	\$3,343,557					15.23%		
2013-2014	\$2,842,069	2521	44	45	2610	12.50%	\$ 2,813,621	\$ -
2014-2015	\$3,217,832	3035	37	55	3127	14.91%	\$ 2,937,999	\$ 250,538
2015-2016	\$3,214,935	2973	46	69	3088	14.37%	\$ 3,183,493	\$ -
2016-2017	\$3,380,452	2934	56	67	3057	14.11%	\$ 3,183,968	\$ 163,604
2017-2018	\$2,703,858	2343	38	78	2459	11.33%	\$ 2,646,005	\$ 200,497



NEW OR SIGNIFICANTLY EXPANDED CHARTER LEAS

DERIVING HOLD-HARMLESS AMOUNTS

- The ESEA now includes specific language requiring an SEA to derive a hold-harmless amount for each formula that reflects the increased enrollment for a newly opened or significantly expanded charter school LEA.
- The derived hold-harmless ensures:
 - Each significantly expanding charter LEA receives an allocation that reflects its current student count.
 - A newly opened charter LEA is not disadvantaged by the fact it had no Title I allocation in the prior year to apply the hold-harmless percentage.



EXPANDING CHARTER LEA

HOW DOES DERIVED HOLD HARMLESS AFFECT ALLOCATION?

Charter LEA 1	Formula Increase over prior year	Percent increase	Basic Grant	Conc. Grant	Targeted Grant	EFIG Grant	Total
	44	25.43%					
17-18 initial allocation			\$95,264	\$22,757	\$63,011	\$79,611	\$260,643
16-17 hold-harmless			\$90,211	\$21,348	\$54,542	\$68,780	\$234,881
Derived hold-harmless			\$113,155	\$26,778	\$68,414	\$86,273	\$294,620
HH 95%			\$107,497	\$25,439	\$64,993	\$81,959	\$279,888
SI & Admin							\$22,002
Net Allocation							\$257,886



SCHOOL IMPROVEMENT RESERVATION

REQUIREMENTS IN FY 2017 VS. FY 2018 AND SUBSEQUENT YEARS

- FY 2017 (school year 2017-2018): The ESEA requires an SEA to ratably reduce the Title I allocations of all LEAs to reserve the greater of:
 - 7 percent of the SEA's Title I award, or
 - Sum of the SEA's FY 2016 section 1003(a) reservation and its FY 2016 SIG award.
- In FY 2018 (school year 2018-2019) and subsequent years, the ESEA requires an SEA to:
 - Reserve the amount described under FY 2017; and
 - Follow the special rule in section 1003(h) by not reducing an LEA below its prior year's allocation in reserving funds for school improvement.



SCHOOL IMPROVEMENT & STATE ADMIN

NET ALLOCATIONS AFTER SCHOOL IMPROVEMENT AND STATE ADMIN

LEA	ED-Determined Allocation	Sum of all 4 formula grants after SEA adjustments	School Improvement reduction	State Admin reduction	Net Allocation
Traditional LEA 1	\$16,545,621	\$10,084,494	\$704,069	\$88,685	\$9,291,740
Charter LEA 1	\$0	\$279,889	\$19,541	\$2,461	\$257,887
Charter LEA 2	\$0	\$490,113	\$34,218	\$4,310	\$451,585
Sum of Other Charters	\$0	\$5,868,209	\$409,700	\$51,607	\$5,406,902
Grand Total	\$16,545,621	\$16,722,705	\$1,167,528	\$147,063	\$15,408,114



RESOURCES

- Census Bureau poverty estimates:
[census.gov/programs-surveys/saipe.html](https://www.census.gov/programs-surveys/saipe.html)
- ED-determined LEA Title I allocations prior to SEA adjustments:
www2.ed.gov/about/overview/budget/titlei/fy17/index.html
- ED non-regulatory guidance on Title I allocation adjustments by SEAs (pages 2-10):
www2.ed.gov/policy/elsec/leg/essa/essaguidance160477.pdf



Discussion

