



**UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION  
WASHINGTON, DC 20202-6132**

May 16, 2002

**CONGRESSIONAL NOTIFICATION OF SCHOOL YEAR 2002-2003  
TITLE I ALLOCATIONS**

Funds appropriated under Public Law (PL) 107-116, the Department of Education's Appropriations Act for Fiscal Year 2002, for programs or activities authorized by Title I of the Elementary and Secondary Education Act of 1965 (ESEA) as amended by the No Child Left Behind Act (PL 107-110).

Recipients: 50 States, District of Columbia, Puerto Rico, Department of the Interior, Bureau of Indian Affairs, and the Outlying Areas

Description: Enclosed is a State table that lists school year (SY) 2002-2003 formula allocations for Title I Grants to Local Educational Agencies (LEAs), Even Start, and the State Agency Neglected or Delinquent program. Except for a portion of Title I Grants to LEAs, these funds will become available for obligation on July 1, 2002. For Basic Grants, \$3,054,734,000 will become available to the States on July 1, 2002 and \$4,043,042,290 will become available on October 1, 2002. All of the funds appropriated for Concentration, Targeted, and Education Finance Incentive Grants will become available on October 1, 2002. A brief description of the Title I formulas and purposes of these programs for which the Department of Education (ED) is announcing allocations follows.

Grants to Local Educational Agencies (Title I, Part A)

Title I Grants to LEAs provide financial assistance to school districts for services that improve the teaching and learning of children at risk of not meeting challenging academic standards, especially those children who reside in areas with high concentrations of children from low-income families. Funds are reserved to meet the special educational needs of Indian children in schools supported by the Bureau of Indian Affairs and for the Outlying Areas. In addition, up to \$3.5 million in funds from Title I Basic Grants supports updating census poverty data used to make allocations to LEAs.

The Department of Education (ED) allocates Title I, Part A funds to school districts through four statutory formulas—Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants. The following describes the specific allocation provisions for each formula funded under PL 107-116.

Column 1—Basic Grants (Title I, Part A, section 1124)—ED allocates Basic Grant funds to LEAs through a statutory formula based primarily on the number of children, ages 5 through 17, from low-income families and on each State's per-pupil expenditure for education. In order to

receive a Basic Grant, an LEA must have at least ten formula children and the number of those children must exceed two percent of the LEA's total population ages 5 through 17. In determining these allocations, ED used the Census Bureau's 1997 school district estimates, which were based on LEA boundaries as they existed in SY 1999-2000. Because of LEA consolidations and the creation of new LEAs since then, the list of LEAs used by ED to determine LEA allocations may not match the current list of school districts for many States. State educational agencies (SEAs) must adjust ED's LEA allocations to account for eligible LEAs that did not receive a Federal allocation. The statute also gives States the flexibility to use alternative poverty data (which, by statute, ED must approve) to redistribute ED-determined Title I Basic Grant allocations for LEAs with fewer than 20,000 total residents. The statute requires that each eligible LEA receive at least 85, 90, or 95 percent of the amount it was allocated in the preceding year. The "hold-harmless" percentage guarantee varies according to the percentage of formula children in each LEA.

Column 2— Concentration Grants (Title I, Part A, section 1124A)—ED allocates Concentration Grant funds to LEAs in which the number of children counted for Basic Grant formula purposes exceeds 6,500 children or 15 percent of the total population ages 5 through 17. As with Basic Grants, SEAs must adjust ED's allocations to account for differences between State and Federal lists of LEAs and may use alternative poverty data for LEAs with fewer than 20,000 total residents. The hold-harmless requirement for Concentration Grants works the same as it does for Basic Grants except that an LEA is guaranteed its hold-harmless amount for four consecutive years even if it no longer meets either eligibility threshold.

Column 3 —Targeted Grants (Title I, Part A, section 1125)—The Targeted Grants formula uses the same data elements as Basic and Concentration Grants. ED adjusts the number of formula children to give greater weight to those LEAs that have higher numbers or percentages of formula children. In order to receive a Targeted Grant, the number of formula children in an LEA counted for Basic Grant allocation purposes must be at least 10 and equal or exceed five percent of the LEA's total population ages 5 through 17. As with Basic and Concentration Grants, SEAs must adjust ED's allocations to account for differences between State and Federal lists of LEAs and may use alternative poverty data for LEAs with fewer than 20,000 total residents.

Column 4— Education Finance Incentive Grants (Title I, Part A, section 1125A)—The Education Finance Incentive Grant (EFIG) formula, in addition to using the number of Title I formula children and each State's per-pupil expenditure, distributes funds to States based on (1) an equity factor that measures a State's effort to provide financial support for education compared to its relative wealth as measured by its per capita income and (2) an equity factor that measures the degree to which education expenditures vary among school districts within a State. The EFIG formula benefits States that spend more money on education relative to their wealth and States that have equalized education expenditures among their LEAs. Once a State's EFIG allocation is determined, ED allocates funds among LEAs within a State using a weighted formula that operates similarly to that established under the Targeted Grants formula. The within-State weights used for determining LEA allocations, however, vary among States

according to the degree to which each State's expenditures are equalized across its school districts. The eligibility criteria used to determine whether an LEA qualifies for an EFIG allocation are the same as for Targeted Grants.

Column 5—Total LEA Grants—The amount reflects the total of Columns 1, 2, 3, and 4. The State amounts for Part A Basic, Concentration, Targeted, and Education Finance Incentive Grants also include funds generated by children in locally operated institutions for delinquent children and adult correctional institutions that the SEA retains to make subgrants to LEAs under Part D, Subpart 2 of Title I.

Even Start Family Literacy Program (Title I, Part B)

Column 6—ED allocates Even Start funds to States based on their relative share of Title I, Part A funds. In determining Even Start allocations, the authorizing statute requires that ED base Title I, Part A State shares on amounts that would have been distributed by the formula without application of the hold-harmless guarantee. The authorizing statute also reserves funds at the Federal level for Even Start programs for migratory children, the Outlying Areas, Indian tribes and tribal organizations, statewide family literacy initiative grants, and for evaluation and technical assistance. SEAs make competitive subgrants to partnerships between LEAs and other entities for family-centered literacy programs that involve children, ages birth through 7, and their parents, who generally must be eligible for participation in adult education programs funded under the Adult Education and Family Literacy Act or be within the compulsory school attendance age range. Local programs improve the educational opportunities of children in low-income families by integrating family literacy activities, including early childhood education, adult education, and parenting education.

Neglected and Delinquent Program (Title I, Part D, Subpart 1)

Column 7—The statute authorizes grants to SEAs for education programs that serve children and youth in State-operated institutions or community day programs for neglected or delinquent (N or D) children and in adult correctional facilities. State allocations are based on the number of N or D children enrolled in a regular program of instruction for at least 15 hours per week if in an adult correctional institution, and 20 hours per week if in an institution or community day program for N or D children. State agencies responsible for providing free public education for N or D children apply directly to the SEAs for these funds. ED is reserving \$800,000 for evaluation and technical assistance activities under section 1419 of Title I.

Additional Information

SEAs are required to reserve two percent of the amount received under Title I, Part A for school improvement activities authorized in sections 1116 and 1117 of ESEA. When reserving funds for this purpose, an SEA must ensure that no LEA receives less in total under Title I, Part A than it received in the prior year. An SEA must suballocate not less than 95 percent of these funds to LEAs in accordance with criteria specified in section 1003(c) of ESEA. Title I also allows an

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SEA to reserve for State administration not more than one percent or \$400,000, whichever is greater, from funds allocated to the State under Parts A, C, and D (Subpart 1) of Title I. The authorizing statute further provides that an SEA may reserve up to five percent of the Title I, Part A amount received in excess of the prior year amount for the State academic achievement awards program authorized in section 1117(b)(1) of Title I.

For Even Start an SEA may reserve not more than 6 percent from funds allocated to the State for State administration and technical assistance purposes. In reserving Even Start funds for this purpose, however, States are restricted to using no more than half of the amount reserved for administration activities.

Further information on these allocations is available from the Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Avenue, SW (3W100-FOB 6), Washington, DC 20202-6100. Specific inquiries concerning these Title I programs may be referred to Joseph F. Johnson, Jr., Director, Compensatory Education Programs, at (202) 260-0826.

### Enclosures

State table  
LEA allocations by State

CEP/SBrown/260-0976/4/18/2002/Congressional Notification 2002  
cc: Hunkin\State\writer

Migrant Education Program (Title I, Part C)

Column 7—Migrant Education funds are allocated to SEAs based on the full-time equivalent number of migratory children, ages 3-21, who reside in the State, as adjusted to reflect migratory children served in special summer or inter-session programs. An amount of \$10,000,000 is reserved in FY 2002 for Migrant Education coordination activities carried out under section 1308 of Title I. The program establishes or improves programs of education for children of migratory agricultural workers and of migratory fishers that enable them to meet the same high academic standards as other children. Services to migratory children may be provided directly by the SEA or through LEAs or other operating agencies.