



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

ESEA, TITLE I PROGRAM DIRECTIVE

SUBJECT Allocations of School Year 2002-2003 Funds for Programs Authorized by Title I of the Elementary and Secondary Education Act	TYPE AND NUMBER OF DIRECTIVE OR GUIDANCE FM-37 DATE SIGNED May 17, 2002 ISSUING OFFICE OESE/CEP
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REFERENCE: Public Law 107-116, Department of Education Appropriations Act for Fiscal Year 2002

TO : State Title I Directors

PURPOSE: To Announce ESEA Title I Allocations for School Year (SY) 2002-2003

Enclosed are allocations of SY 2002-2003 funds for programs authorized by Title I, Part A (Grants to Local Educational Agencies (LEAs)), Part B, subpart 3 (Even Start), and Part D, subpart 1 (State Agency Neglected or Delinquent program) of the Elementary and Secondary Education Act, as amended by the No Child Left Behind Act. We based these allocations on action taken by Congress in the Department of Education Appropriations Act for Fiscal Year (FY) 2002, Public Law (PL) 107-116. Except where noted, these funds will become available for obligation on July 1, 2002 and will remain available for obligation and expenditure at the State and local levels until September 30, 2004. Approximately 29 percent of the FY 2002 Title I, Part A funds will become available on July 1, 2002, and the remainder will become available on October 1, 2002.

The amount provided for each Title I program under PL 107-116 is as follows:

<u>Program</u>	<u>Total Amount Available</u>	<u>Amount Available on July 1, 2002</u>	<u>Amount Available on October 1, 2002</u>
Grants to LEAs:			
Basic Grants (Part A, section 1124)	\$ 7,097,776,290	\$3,054,734,000	\$4,043,042,290
Census set-aside	3,500,000	3,500,000	
Concentration Grants (Part A, section 1124A)	1,351,380,690		1,351,380,690
Targeted Grants (Part A, section 1125)	1,008,314,010		1,008,314,010
Education Finance Incentive Grants (Part A, section 1125A)	785,564,010		785,564,010
Set-aside for the Department of the Interior and the Outlying Areas	103,465,000	103,465,000	
Even Start Family Literacy (Part B, subpart 3)	250,000,000	250,000,000	

<u>Program</u>	<u>Total Amount Available</u>	<u>Amount Available on July 1, 2002</u>	<u>Amount Available on October 1, 2002</u>
State Agency Neglected or Delinquent program (Part D, subpart 1)	48,000,000	48,000,000	

Please see the Congressional Notification of SY 2002-2003 Title I Allocations (enclosed) for more detail on the formulas we used to determine State and LEA allocations. In calculating Title I, Part A allocations, we used the variable hold-harmless provision in section 1122(c) of the Title I statute. Each eligible LEA is guaranteed at least 85, 90, or 95 percent of the amount it was allocated in the preceding year, depending on its percentage of formula children. In the case of Concentration Grants, however, the statute provides that an LEA not meeting either statutory eligibility threshold is guaranteed its hold-harmless amount for four consecutive years. Therefore, an LEA that was last eligible for a Concentration Grant in SY 1998-99 but was not eligible in SY 1999-2000, SY 2000-2001, SY 2001-2002, and SY 2002-2003 will receive its hold-harmless amount in SY 2002-2003. If that LEA, however, fails to meet the Concentration Grant eligibility thresholds next year (SY 2003-2004), it will no longer be eligible for the hold-harmless guarantee.

Note that the LEA allocations we determine are not the final amount an LEA will receive. The State educational agency (SEA) must adjust these allocations to account for newly created LEAs not reflected in our allocations and for district boundary changes and to reserve funds for school improvement, State administration, and, at the SEA's discretion, the State academic achievement awards program. In some cases, States may also use alternative data to redistribute ED-determined Title I allocations among districts with fewer than 20,000 total residents.

In determining State allocations for other programs whose formulas are tied to Title I, Part A State shares, the authorizing statute requires us to determine those State shares using the Title I formulas without applying the statute's hold-harmless provision.

If you have any questions regarding the attached Title I allocations, please contact Sandy Brown on my staff at (202) 260-0976.

Joseph F. Johnson, Jr.
Director
Compensatory Education Programs

Enclosures

- A Congressional Notification of SY 2002-2003 Title I Allocations
- B LEA allocations for Basic, Concentration, Targeted, and Education Finance Incentive Grants
- C State allocations for Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants, Even Start, and the State Agency Neglected or Delinquent program

cc: Chief State School Officers

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cc:: Hunkin/State/writer