

Title I Funds Allocation Milestones And Purchasing Cycles

*A Technology Monitoring and Information Service (TechMIS)
SPECIAL REPORT*

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During the Technology and Learning Conference several TechMIS subscribers had questions about when the remaining Title I funds would be allocated to districts by SEA Title I offices. Below I have attempted to outline the general funding allocation process which began in July 2003 when the Title I funds that were not “advanced funded” began to be released to states. As we have emphasized over the last year, certain types of districts will likely be receiving their funding, particularly increases, at different times because of their particular situations. For example, those districts receiving unexpected, relatively large percentage increases, as identified in our August 22 TechMIS report, are being allocated such funds now through November-December. These are excellent prospects in that they will most likely be investing in products and training. Large districts receiving large absolute increases will be allocated their funds November through late Winter and once again will receive likely final allocations in the Spring. For those districts with failing schools who reserve up to 20 percent for transportation and SES purposes, will likely have unspent money next May-June and will begin to spend these funds through September 30, the end of the Federal fiscal year, unless FY 04 Title I funds are cut or only receive a small increase, in which case unspent funds may be carried over to next year.

There are exceptions to these general rules. In states where the district and the county are the same and few other adjustments have to be made by the SEA, districts will be receiving their final Title I allocations in October-November. On the other hand, in certain states (California, Texas, New York, Michigan, among others) districts will be receiving their final Title I allocations much later because of the need for the SEA to make adjustments. This is particularly

true in states where the Title I office staff had been cut back dramatically, such as Texas and Florida. If you have any questions please contact me directly regarding specific states.

July 2003

- USED publishes list of districts' final allocation estimates (correcting the mistakes made in preliminary estimates) and posts them on USED website. (See August 22 TechMIS Special Report)
- USED allocates between 15 and 30 percent of districts' funding for school year 2003-2004; in July, districts receiving large increases receive a smaller percentage of their total allocation.
- LEAs amend previous consolidated plans to SEA because of differences between preliminary and final funding estimates.

August 2003

- Most SEAs notify LEAs of final allocations before adjustments.
- LEAs begin receiving lists of schools identified for improvement (for the first time), for which the LEA must allocate 15 percent from the Title I reserve for staff development and parent choice transportation choice; and schools identified for two consecutive years begin negotiations with state-approved providers of supplemental education services.
- LEAs with funding increases begin purchasing products, training, and other services for new Title I schools.
- LEAs designate eligible schools (greater than 40 percent poverty) as schoolwide programs, which do not have to report on how Title I funds are spent.
- LEAs begin to earmark up to 20 percent of their total Title I allocation to cover potential costs of transportation related to parent choice and/or staff development and/or supplemental education services as schools are identified for improvement on the state list.
- LEAs begin appeals to justify taking schools off their state list.

September 2003

- LEAs -- particularly those with five or more schools identified for improvement a year ago -- spend any leftover FY 2002 funds in lieu of carrying over funds to this school year (where they are allowed to do so).
- LEAs communicate with parents about selected schools to which the students can be transferred and/or identify supplemental education service providers approved by the state which can provide tutoring and SES at no cost to parents.

October 2003

- SEAs begin to notify districts of second round of preliminary funds allocations before finalized adjustments; districts which are also counties will receive funding allocations sooner than districts which are not coterminous with counties.
- SEA notifies districts of increased funding after 1200-1300 districts were told to “plan on getting what you got last year”; these are good targets of opportunity. (See August 22 TechMIS Special Report)

November 2003-February 2004

- SEA begins funds allocation process to districts after preliminary adjustments for: (a) prorated allocation of two percent of state Title I funds targeted to schools identified for improvement; (b) eligible Title I students who are enrolled in charter schools in which case the funds “follow the child”; and (c) determinations of how much of a county Title I allocation goes to each of several districts in the county based upon census data or data submitted by each district to maximize the amount it gets.
- SEA notifies specific districts which receive “supplemental” funding in FY 04 budgets (Iowa, Maryland, and Michigan) because of reduced state Title I allocations through regular formula.
- After six months, newly-designated schoolwide programs generally complete their planning and decide upon what products and services to purchase for use in operational Title I programs during the remainder of the year and the following year.

March through May 2004

- USED notifies SEAs of preliminary district allocations under the FY 2004 budget; SEAs begin notifying LEAs of district allocation or USED posts preliminary estimates on website.

- LEAs initiate planning process to take into account funding increases or decreases and other programmatic changes.
- District Title I office reassesses how much of the FY 2003 earmark for transportation and supplemental education services will have actually been used by the end of the school year.
- District Title I office decides whether to spend unspent funds or carry over to next year, depending upon FY 2004 district Title I allocations.

June/July 2004

- If funds are available over the amount which could be carried over, such funds are expended by June 30 (e.g., Indiana); in some states, by August 30 (e.g., Texas); by September 30, 2004 in the remaining states.