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M E M O R A N D U M

DATE: November 8, 2005
TO: TechMIS Subscribers
FROM: Charles Blaschke
SUBJ: Title I Funding Alert

The attached Excel spreadsheet provides the estimated amount of Title I funds, per Title I-eligible student, for selected priority districts in states which are receiving at least a four percent increase in Title I funds for this year. These districts are receiving a \$400,000 or greater increase this year and are likely to “ earmark ” 20 percent of their Title I funds this year for supplemental educational services (SES) and transportation (see June 30, 2005 TechMIS Special Report). These districts are receiving their Title I funding, including all of the increases, between now and February 2006. The actual purchasing cycles in these priority districts are beginning now through March 2006, with another purchasing cycle likely to occur in May-June 2006 using unspent “ earmarks ” for SES or transportation.

The estimated amount of Title I funds allocated for Title I eligible students at the district level is currently undergoing some adjustments in virtually all states, taking into account: (a) withholding by the SEA of four percent which is supposed to be reallocated (in December-February) to districts with relatively large numbers of schools identified for improvement; (b) adjustments for the number of Title I-eligible students in the district attendance area which are attending charter schools; (c) funds reallocated from districts receiving funding increases to districts which are experiencing more than a 15 percent cut this year due to “ hold harmless ” provisions; and (d) adjustments related to the use of other than census data (which reports on a county basis) to allocate funds to two or more districts located in one county. In some states such as California, additional adjustments have to be made in allocations to County Districts.

The amount of Title I funds actually expended by the district per actual number of students served may be lower than the estimates in the spreadsheet. For example, if a district has a relatively large number of schoolwide programs, the Title I expenditures per pupil served will be reduced because Title I funds can be used to serve non-Title I students in schoolwide programs. Or, if a district has a large number of schools that have

been identified for improvement for two consecutive years, funds may be reallocated from other Title I schools to these schools for SES and parent choice transportation. The estimated amounts per district represent the maximum cap a district is required to allocate per student participating in SES to an outside third-party SES provider. Recent studies have shown that districts (partnering with vendors) which operate their own SES programs tend to allocate 50-60 percent less funds per student for SES. And last, if a district feels that, for whatever reason, it may receive slightly less in Title I funding next year, it may decide to carryover up to 15 percent of this year's Title I funds to next year.

Even with the above reallocations by the state and/or district and SEA adjustments, the above estimates suggest which districts in a state have the greatest purchasing power per Title I eligible students. TechMIS subscribers are strongly urged to take into account these variations among districts within a state.

As a final comment, there are some districts in other states (i.e., those receiving less than a four percent funding increase) which are receiving fairly large increases in Title I funds and which will not likely be affected too much by reallocations to hold harmless districts or the four percent state set aside for school improvement. These districts, which are not included in the enclosed spreadsheets, could also offer opportunities, especially if they are currently "good customers."

If anyone has any questions or needs a copy of the June 30 report, please give me a call directly.