

(703) 536-2310
Fax (703) 536-3225

Education TURNKEY Electronic Distribution, Inc.
256 North Washington Street
Falls Church, Virginia 22046-4549

M E M O R A N D U M

DATE: October 10, 2006
TO: TechMIS Subscribers
FROM: Charles Blaschke
SUBJ: USED Recalculation of Title I District Allocations

On September 29 after "close of business," USED sent a letter to Chief State School Officers and SEA Title I directors indicating that the Census Bureau had provided some incorrect data which will require USED to recalculate -- for every state and every district -- the correct amount of Federal Title I allocations (before state adjustments). The "advanced funding" portion of Title I and most other programs, such as E²T², totaling well over \$10 billion -- would not be allocated to the states until the revised Federal calculations of state and district allocations are made. During the SEDTA conference held on October 1-4, only one of the state Title I directors who was also the state E²T² director, was aware of the letter. In addition to Title I, the other Federal programs which would be affected most included E²T², Title II D, Title I A, and a number of other programs whose formula takes into account the amount of Title I funds a state or district receives. At least five state E²T² directors expressed serious concern because districts had already been notified of the amount of state E²T² formula funds they would be given. For the most part, the states which will fund only discretionary E²T² grants were not that concerned. However, all agreed that this Federal recalculation would postpone purchasing cycles at the district level for at least some time.

A couple of days later, it was learned that the mistake would result in minor reductions in approximately 30 states, while the remaining states would collectively receive a total additional amount of about \$25-35 million. On Wednesday, October 4, USED mailed hard copies of the recalculated Title I district allocations which many states may not have received until October 10. At least two knowledgeable observers have heard that the \$25-\$35 million increase reallocation would go to the following states (Alabama, Arkansas, Delaware, Florida, Georgia, Indiana, Kentucky, Maryland, Michigan, Missouri, North Carolina, South Carolina, Ohio, Oklahoma, Tennessee, Vermont, Wyoming, and Puerto Rico). The magnitude of the reductions in the remaining states were in the range of a half percentage point. In California, which will receive a \$6-\$8 million reduction, at least 17 districts, including Los Angeles, will be among the 50 districts nationwide receiving the largest absolute reductions.

It is important to keep in mind that these Federal reallocations will be significantly less important than the amount of adjustments made by SEAs over the next 1-3 months. For example, if California attempts to set aside as much as it can for the state school improvement four percent set aside, then no district will receive an increase. And, in both California and Arizona, which have many Title I-eligible students enrolled in charter schools, some districts will also see reductions as Title I funds “follow the child” to charter schools. The Federal allocations before SEA adjustments included in our July 21 Special Report remains a good guide for selecting what districts to approach to take advantage of the upcoming major purchasing cycle, which now should be postponed for about 3-4 weeks to the end of October in many states.

If anyone has questions regarding the allocation process at the state level to districts, and/or wishes an update, please call me directly.