

**STATE EDUCATIONAL AGENCIES' PROCEDURES FOR ADJUSTING
DEPARTMENT OF EDUCATION-DETERMINED TITLE I, PART A ALLOCATIONS
TO LOCAL EDUCATIONAL AGENCIES (1810-0622)**

Title I, Part A of the Elementary and Secondary Education Act (ESEA), as amended by the No Child Left Behind Act (NCLB), requires ED to allocate Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants directly to LEAs. (See sections 1124(a)(2), 1124A(a), 1125(a), (b), and (c)(2), and 1125A(c) and (d)(1)(B), (2)(B), and (3)(B) of the statute at <http://www.ed.gov/policy/elsec/leg/esea02/107-110.pdf>.) Title I, Part A allocations are based primarily on poverty data provided by the Census Bureau and reflect a national list of LEAs that is several years out of date. For example, the list of LEAs used for calculating school year (SY) 2008-09 allocations is based on LEAs that existed in SY 2005-06. Because the list of LEAs used by ED in determining LEA allocations does not match the current universe of LEAs in many States, State educational agencies (SEAs) must adjust ED's allocations to account for district boundary changes and newly created LEAs that are legitimately eligible for Title I funds but did not receive an allocation under ED calculations.

In addition, SEAs must adjust ED allocations to—

- Reserve funds for school improvement (authorized in section 1003 of ESEA), State administration (section 1004), and the State academic achievement awards program (section 1117(c)(2)(A)); and
- Allow, in the case of several States, for the use of alternative data to redistribute ED-determined Title I, Part A allocations among “small” LEAs with fewer than 20,000 total residents.

The provisions in §§200.70 through 200.75 and §200.100 of the Title I regulations (34 CFR, Part 200) address the procedures an SEA must follow when adjusting our allocations. (See <http://www.ed.gov/legislation/FedRegister/finrule/2002-4/120202a.pdf> for the text of these sections of the regulations concerning allocations to LEAs.)

The statutory requirement for ED to allocate Title I funds directly to LEAs first went into effect in 1999 with the Improving America's Schools Act amendments to ESEA. ED first issued guidance in June 1999 to provide directions to SEAs on how to adjust ED-determined Title I, Part A allocations in order to account for boundary changes and the creation of new LEAs, to redistribute Title I funds for small LEAs using alternative poverty data, and to reserve funds for school improvement and State administration activities. ED then issued regulations in this area December 2002 after passage of the NCLB amendments to NCLB and later released updated guidance in May 2003. These regulations and guidance remain in effect and have not been revised.

At the time ED developed its 1999 guidance, the Office of Management and Budget (OMB) approved clearance package 1810-0622, which estimated the State-level burden hours connected with this process. The clearance package was renewed in October 2002 and again in October 2005. This clearance package would extend the currently approved package for three years with no change in the current burden hour estimate.

Note that there is no collection of data by ED associated with §§200.70 through 200.75 and §200.100 of the regulations. This narrative addresses only the burden associated with the actual procedures an SEA must follow when adjusting ED-determined LEA allocations.