

How Title I Funds Are Allocated to States, Districts, & Schools

How the Federal Government Allocates Funds to States and Districts

Massachusetts's statewide allocation is determined annually by formulas derived from the U.S. Census, which is conducted every ten years. The annual statewide allocation is determined by the sum of the funds calculated for each district in the state. In the years between the decennial census the U.S. Department of Education uses census estimates in calculating grants for districts. Those estimates include the number of children ages 5-17 in families of poverty, the total school aged population, and total resident population for each district. Updated state per-pupil expenditure data as well as the number of children in locally operated neglected or delinquent institutions, foster homes, and families above the poverty level that receive assistance under the Temporary Assistance for Needy Families (TANF) program are also used. In Massachusetts, the data are then adjusted accordingly by the Massachusetts Department of Elementary and Secondary Education for different district configurations, such as single school districts, regional school districts and other special cases. No Child Left Behind (NCLB) contains the following formulas for allocating Title I funds:

- **Basic Grants:** Districts with at least 10 children in poverty and the *number of children in poverty must exceed 2 percent* of the district's school aged population.
- **Targeted Program and Education Financial Incentive Program Grants:** Districts with at least 10 children in poverty and the *number of children in poverty is at least 5 percent* of the district's school aged population.
- **Concentration Grants:** Districts with the *number of children in poverty exceeding 15 percent* of the district's school aged population.

Hold harmless provisions may apply when districts drop in population, but remain eligible for any of the above categories.

How Districts Allocate Funds to Schools

Once the money has been allocated to districts by the State, districts must allocate Title I funds to participating school attendance areas or schools, in rank order, based on the percentage of children from low-income families in each area or school. A district with an enrollment of less than 1,000 students or with only one school per grade span is not required to allocate funds to areas or schools in rank order.

If a district serves any areas or schools below 35 percent poverty, it must allocate to all its participating areas or schools an amount for each low-income child in each participating school attendance area or school that is at least 125 percent of the district's allocation per low-income child.

- A district's allocation per low-income child is the total district allocation under Title I Part A, subpart 2 divided by the number of low-income children in the district as determined using the poverty measure selected by the district to identify eligible school attendance areas. The district then multiplies this per-child amount by 125 percent.
- A district calculates 125 percent of its allocation per low-income child before it reserves any funds.
- A district must allocate at least this amount for each low-income child in every school it serves, not just for those schools below 35 percent poverty.

- If remaining funds are not sufficient to fully fund the next ranked eligible school attendance area or school, the district may serve the area or school if it determines the funds are sufficient to enable children to make adequate progress toward meeting the State's challenging performance standards.

A district serving only areas or schools at or above 35 percent poverty must allocate funds in rank order, on the basis of the total number of low-income children in each area or school but is not required to allocate 125 percent of its allocation per low-income child. However, in determining what per-child amount to allocate, the district should bear in mind the purpose of such funding—to enable children who are most at risk of not meeting the State's challenging student academic achievement standards. The per-child allocation amount must be large enough to provide a reasonable assurance that a school can operate a Title I program of sufficient quality to achieve that purpose.

A district is not required to allocate the same per-child amount to each area or school. However, it must allocate a higher per-child amount to areas or schools with higher poverty rates than it allocates to areas or schools with lower poverty rates.

A district that opts to serve schools below 75 percent poverty using grade span groupings may determine different per-child amounts for different grade spans so long as those amounts do not exceed the amount allocated to any area or school above 75 percent poverty. Per-child amounts within grade spans may also vary so long as the district allocates higher per-child amounts to areas or schools with higher poverty rates than it allocates to areas or schools with lower poverty rates.