# UNITED STATES DEPARTMENT OF EDUCATION

# OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

# Washington, DC 20202-6132

March 22, 2022

## MEMORANDUM TO CHIEF STATE SCHOOL OFFICERS

Subject: **Preliminary** Fiscal Year (FY) 2022 (School Year (SY) 2022-2023) Allocations for the

 Title I, Part A Grants to Local Educational Agencies (LEAs) Program Authorized by the

 Elementary and Secondary Education Act of 1965 (ESEA)

I am pleased to send you the attached documents:

1. Preliminary FY 2022 State educational agency (SEA) and LEA allocations for the $17.5 billion in Title I, Part A funds provided through Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants (EFIG) that Congress made available under the Consolidated Appropriations Act, 2022.

2. Preliminary FY 2022 Title I, Part A, Part C (Migrant Education), and Part D, Subpart 1 (State Agency Neglected and Delinquent program) Title I administrative base allocations that each SEA must use to estimate the maximum that it may reserve from these programs for State administration of Title I.

3. A State reservations table based on the preliminary allocations that shows the estimated amount of Title I, Part A funds that an SEA must reserve for school improvement and the estimated maximum amount that the SEA may reserve for State administration and Direct Student Services.

4. Two examples of applying the school improvement reservation’s special rule in FY 2022 (discussed below under the “School Improvement” heading).

5. A notification to Congress that provides more detail about the operation of the Title I, Part A formulas.

### Calculation of Allocations

In calculating preliminary FY 2022 Basic, Concentration, Targeted, and EFIG allocations for LEAs, the U.S. Department of Education (ED) used income year 2020 Census ages 5 to 17 poverty and population estimates based on LEA boundaries as they existed in SY 2020-2021 and State per-pupil expenditure (SPPE) data from SY 2019-2020 that SEAs reported to ED’s National Center for Education Statistics (NCES). ED also used the same October 2020 State reported data on the number of children in locally operated neglected or delinquent institutions, foster homes, and families above poverty receiving assistance under the Temporary Assistance for Needy Families program (non-Census data) that it

Page 2 – Chief State School Officers

used for FY 2021 allocations. With respect to the EFIG formula, ED used the same LEA finance data that it used for FY 2021 allocations.

ED expects to release final allocations in June, which will differ from the preliminary allocations because of updates to the non-Census data and LEA finance data mentioned above. There may be additional differences if a State were to report revisions to its SPPE data. The final allocations will be the basis on which ED awards Title I, Part A funds to SEAs on July 1, 2022. If an SEA were to report revised SY 2019-2020 SPPE data after ED calculates the final allocations, as has been the case in recent years, ED may need to revise the final allocations and would reflect these revisions in the FY 2022 Title I, Part A awards that it makes to SEAs on October 1, 2022. To reduce the possibility of having to issue revised final allocations, I encourage SEAs to work closely with NCES to submit any necessary corrections to the SY 2019-2020 SPPE data as soon as possible.

In determining Title I, Part A LEA allocations, ED used the variable hold-harmless provision in sections 1122(c) and 1125A(f)(3) of the ESEA. Each eligible LEA is generally guaranteed at least 85, 90, or 95 percent of the amount allocated to it in the preceding year under each formula, depending on its percentage of formula children compared to its total school-age population ages 5 through 17. In the case of Concentration Grants, the ESEA provides that an LEA that does not meet the statutory eligibility thresholds is guaranteed its hold-harmless amount for four consecutive years. Therefore, an LEA that last met the eligibility thresholds for a Concentration Grant in FY 2018 but not in FY 2019, FY 2020, FY 2021, and FY 2022 would receive its hold-harmless amount in FY 2022. If that LEA, however, fails to meet the Concentration Grant eligibility thresholds in FY 2023, it will no longer be eligible for the hold-harmless guarantee. For the EFIG hold harmless, as I indicated in my September 30, 2021, memorandum on FY 2021 Title I, Part A allocations, the FY 2020 and FY 2019 adjustments that ED made though FY 2021 EFIG allocations do not affect an LEA’s EFIG hold-harmless base for FY 2022 allocations. (Please see that memorandum for a description of the adjustments.)

### SEA Adjustments to ED’s Allocations

As also noted in the memorandum on FY 2021 Title I, Part A allocations, the Every Student Succeeds Act (ESSA) made several changes to the ESEA regarding how an SEA adjusts the ED-determined Title I, Part A LEA allocations to account for differences between ED’s list of LEAs and the universe of LEAs within a State and to make State-level reservations. The ESEA now includes specific language requiring an SEA to calculate a hold-harmless amount for each formula that reflects the increased enrollment for a newly opened or significantly expanded charter school LEA, and contains new and revised State-level reservations that affect the final Title I, Part A LEA allocations calculated by an SEA. These changes took effect beginning with FY 2017 Title I, Part A allocations and continue to apply to the FY 2022 Title I, Part A allocations that are the subject of this memorandum and to those of subsequent years.

Details on these changes, along with within-State allocation provisions that were in the ESEA, as amended by the No Child Left Behind Act of 2001 (NCLB), that continue, such as applying the hold-harmless provisions under each formula, are described in ED’s November 2016 guidance on fiscal changes under the ESSA (ESSA fiscal changes guidance) [available at:

Page 3 – Chief State School Officers

https://oese.ed.gov/files/2020/02/essaguidance160477-1.pdf]. Please see Section I, “Title I Within-State Allocations.” Information on State-level reservations under the ESEA, as amended by the ESSA, follows.

### School Improvement: Special Rule that Applies to FY 2018 Allocations and Subsequent Years

Under section 1003(a) of the ESEA, and as described in Step 4a of the ESSA fiscal changes guidance, an SEA must ratably reduce as applicable the total Title I, Part A allocation of LEAs, consistent with the special rule described below, to reserve for school improvement activities the greater of:

➢ Seven percent of the SEA’s FY 2022 Title I, Part A award; or

➢ The sum of the total amount that the SEA reserved for school improvement under section

 1003(a) from its FY 2016 Title I, Part A award (generally, four percent of that award) and the

 amount of the SEA’s FY 2016 School Improvement Grants (SIG) allocation under section

 1003(g) of the ESEA, as amended by NCLB.

With respect to reserving FY 2022 (and subsequent years) Title I, Part A funds for school improvement, the special rule in section 1003(h) of the ESEA requires an SEA, in reserving funds for school improvement, to ensure that no LEA receives less in total under Title I, Part A than it received in the prior year. This means that an SEA may only reserve funds for school improvement from LEAs that have an increase in their Title I, Part A allocation over the prior year’s amount. It is possible that this provision in conjunction with an overall reduction in a State’s Title I, Part A allocation may limit the ability of some SEAs to reserve the full amount for school improvement.

To assist your State with determining the amount of this reservation, the enclosed State reservations table, described in #3 on the first page of this memorandum, shows the total amount of FY 2022 Title I, Part A funds that each SEA must reserve for school improvement based on the FY 2022 preliminary allocations if, consistent with section 1003(h), the SEA is able to reserve the full amount. This amount will change in the final FY 2022 Title I, Part A allocations, and ED will update this table when it releases final FY 2022 allocations.

Attachment 4 (called “Section 1003(h) special rule model”) provides two examples of reserving funds for school improvement and applying the section 1003(h) special rule. In the first example an SEA has sufficient funds to reserve the full amount and in the second example the SEA has insufficient funds to reserve the full amount. The examples correspond with the discussion of the special rule in Step 4a of the ESSA fiscal changes guidance.

### State Administration

Section 1004(a) of the ESEA continues to allow an SEA to reserve for State administration of Title I not more than one percent or $400,000, whichever is greater, from funds allocated to the State under Title I, Parts A, C, and D (Subpart 1). For FY 2022, however, the administrative cap provision in section 1004(b) of the ESEA applies because the total appropriated for Title I, Parts, A, C, and D exceeds $14 billion. Under section 1004(b), the amount an SEA reserves for State

Page 4 – Chief State School Officers

administration may not exceed one percent of the amount it would otherwise receive if $14 billion were allocated among the States for Title I, Parts A, C, and D. In order for an SEA to determine the maximum it may reserve for Title I State administration, the administrative base table described in #2 on the first page of this memorandum shows how much each SEA would receive under Title I, Parts A, C, and D if $14 billion were made available. In addition, the State reservations table described in #3 on the first page of this memorandum shows the maximum amount of Title I, Part A funds each SEA may reserve for State administration. ED will update these tables when it releases final FY 2022 allocations.

### Direct Student Services

Finally, section 1003A(a)(1) of the ESEA provides that an SEA has the option to reserve not more than three percent of the funds allocated to the State under Title I, Part A for Direct Student Services (DSS). The State reservations table described in #3 on the first page of this memorandum also shows the maximum amount an SEA may reserve for DSS if the SEA chooses to reserve funds for this purpose.

Thank you for your leadership in implementing Title I, Part A. Please send any questions about the allocations to Victoria Rosenboom (Victoria.Rosenboom@ed,gov), Elizabeth Witt (Elizabeth.Witt@ed.gov), Todd Stephenson (Todd.Stephenson@ed.gov), and OESE.titlei-a@ed.gov.

Sincerely,

/s/

Patrick Rooney

Director

School Support and Accountability

Attachments

cc: State Title I Directors