

How is Title I funding allocated?

The United States Department (USDE) allocates Title IA funds to each state based the number of poverty students reported in the latest census data. USDE also determines the district allocations. States must then take these numbers and reallocate the funds after set asides for state administrative funds (1%) and school improvement (2% in 2003-04 and 4% in 2004-05) have been taken. School district allocation are done using a hold harmless provision which means districts with a poverty level of over 30% will receive at least 95% of their 2003-04 amount, districts with a poverty rate of 15% to 29.9% will receive 90%, and districts with a poverty level below 15% will receive 85%.

Census numbers must be used to determine allocations for the 11 Maine towns with a total population of 20,000 or more. Maine has taken advantage of the waiver provision to use alternative funding sources to determine allocations to towns with a total population of less than 20,000. For these towns, free (only free and not reduced) lunch data are used.

Has there been a change this year in how Title I funding is being allocated? What will Maine receive as its share of funding?

Maine received the Updated Census Data for Allocating FY 2004 Title I, Part A Funds to Local Educational Agencies (LEA). This report shows that Maine has lost approximately 11,000 poverty students on this count, which will result in an approximately \$2.9 million decrease in Title IA funds (based on preliminary figures). School district allocation will be done using a hold harmless provision, which means districts with a poverty level of over 30% will receive at least 95% of their 2003-04; districts with a poverty rate of 15% to 29.9% will receive 90%; and districts with a poverty level below 15% will receive 85%. The amount that the SEA can set aside to work with priority schools will increase to 4% for the 2004-05 school year. However, allocations to districts must be made before these funds can be reserved.

The updated census figures show a decrease of poverty children in eleven states, including all the New England states except Connecticut. Last year Congress responded to the four states that found themselves in a similar situation and provided a supplemental allocation to make up the difference. This year \$63 million would be needed to provide funds to the 11 states that may not have sufficient funds to cover the hold harmless provision and to set aside the allowable 4% to work with priority schools.

The decrease in Maine's Title IA allocation will also mean a decrease in the administrative funds. Until 2002-03, we could set aside \$400,000 from IA, IC, and ID. The increase in funding allowed us to set aside 1%, which was the first time since at least 1985 that 1% was greater than the minimum amount. If the preliminary figures are correct, Maine's administrative funds would decrease by approximately \$ 29,000.

Senator Kennedy, along with a number of other senators, has drafted a strongly worded letter raising serious concerns about the timing of this allotment disclosure, coming just after the Senate has completed work on the budget and thus limiting Congress's ability to take appropriate action. The draft letter also raised questions about the validity of the revised census figures.