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ESEA Title I-A Formulas: A Primer

September 19, 2023

Congressional Research Service

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R47702



ESEA Title I-A Formulas: A Primer

Title I-A of the Elementary and Secondary Education Act (ESEA) authorizes aid to local educational agencies (LEAs) for the education of disadvantaged children. Title I-A grants provide supplementary educational and related services to low-achieving and other students attending elementary and secondary schools with relatively high concentrations of children from low-income families. The Title I-A program is the largest grant program authorized under the ESEA and is funded at \$18.4 billion for FY2023.

The U.S. Department of Education (ED) determines Title I-A grants to LEAs based on four separate funding formulas: Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants (EFIG). Annual appropriations bills specify portions of each year's Title I-A appropriation to be allocated to LEAs and states under each of these formulas.

For each formula, a maximum grant is calculated by multiplying a *formula child count*, consisting primarily of estimated numbers of school-age children in poor families, by an *expenditure factor* based on state average per pupil expenditures for public K-12 education. In some formulas, additional factors are multiplied by the formula child count and expenditure factor. These maximum grants are then ratably reduced to equal the level of available appropriations for each formula, taking into account a variety of state and LEA minimum grant and hold harmless provisions. In general, LEAs must have a minimum number of formula children and/or a minimum formula child rate to be eligible to receive a grant under a specific Title I-A formula. Some LEAs may qualify for a grant under only one formula, while other LEAs may be eligible to receive grants under multiple formulas. Once funds reach LEAs, the amounts allocated under the four formulas are combined and used jointly. This report provides a general overview of the key components of each formula.

R47702

September 19, 2023

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Introduction

Title I-A of the Elementary and Secondary Education Act (ESEA) authorizes aid to local educational agencies (LEAs) for the education of disadvantaged children. Title I-A grants provide supplementary educational and related services to low-achieving and other students attending elementary and secondary schools with relatively high concentrations of children from low-income families. In recent years, Title I-A has also been used as a vehicle to which a number of requirements affecting broad aspects of public elementary and secondary education for all students have been attached as conditions for receiving Title I-A grants. The Title I-A program is the largest grant program authorized under the ESEA and is funded at \$18.4 billion for FY2023. The ESEA was most recently comprehensively reauthorized by the Every Student Succeeds Act (ESSA; P.L. 114-95).

The U.S. Department of Education (ED) determines Title I-A grants to LEAs based on four separate funding formulas. After calculating grants, ED provides each state educational agency (SEA) with the calculated grant amounts for LEAs in the state. The state then makes specific adjustments to the grant amounts, including reserving funds for administration and school improvement and determining grants for charter schools that are their own LEAs.¹ After making adjustments to the grant amounts calculated by ED, the state then provides funds to the LEAs. The LEAs, in turn, distribute funds to public schools, often based on the percentage of children in each school eligible for free or reduced-price lunch.²

This report provides a general overview of the key components of each of the four formulas used to allocate Title I-A funds. **Table 1** provides a summary of these components (or *factors*).

Overview of Title I-A Formulas

Under Title I-A, funds are allocated to LEAs via states using four different allocation formulas specified in statute: (1) Basic Grants, (2) Concentration Grants, (3) Targeted Grants, and (4) Education Finance Incentive Grants (EFIG).³ Annual appropriations acts specify that portions of each year's appropriation be allocated under each of these different formulas.⁴ In FY2023,

¹ Independent charter districts are not included in the dataset used by ED to calculate Title I-A grants. Instead, grants to these LEAs are determined at the state level.

² Children living in households where income is up to 130% of the federal poverty level (FPL) are eligible for free meals. Children living in households where income is over 130% and up to 185% of the FPL are eligible for reduced-price meals. For more information, see Department of Agriculture, "Child Nutrition Programs—Income Eligibility Guidelines," 88 *Federal Register* 8397-8400, February 9, 2023, <https://www.govinfo.gov/content/pkg/FR-2023-02-09/pdf/2023-02739.pdf>. Some LEAs also use the Community Eligibility Provision (CEP) to provide free meals to all students without collecting household applications to demonstrate income eligibility. For more information, see CRS Report R46371, *Serving Free School Meals through the Community Eligibility Provision (CEP): Background and Participation*.

³ For more information about how grants are determined under each of these formulas, see CRS Report R44461, *Allocation of Funds Under Title I-A of the Elementary and Secondary Education Act*.

⁴ ESEA, Section 1122 limits the amount of funds that may be provided through the Basic Grant and Concentration Grant formulas to the FY2001 appropriations levels (\$7.398 billion and \$1.365 billion, respectively). In practice, Congress has provided less than the FY2001 level of funding for the Basic Grant formula since FY2002 and less than the FY2001 level for the Concentration Grant formula since FY2011. For example, in FY2023 the appropriations were \$6.459 billion for the Basic Grant formula and \$1.362 billion for the Concentration Grant formula. ESEA, Section 1122 requires that any funds in excess of the FY2001 appropriations levels for the Basic Grant and Concentration Grant formulas must be divided evenly between the Targeted Grant and EFIG formulas. In practice, the appropriations acts have divided all appropriations not provided for the Basic Grant or Concentration Grant formulas evenly between the Targeted Grant and EFIG formulas.

35.13% of Title I-A appropriations will be allocated through the Basic Grant formula, 7.41% through the Concentration Grant formula, and 28.73% through each of the Targeted Grant and EFIG formulas.

For each formula, a maximum grant is calculated by multiplying a *formula child count*, consisting primarily of estimated numbers of school-age children living in families in poverty, by an *expenditure factor*, which is based on state average per pupil expenditures (APPE) for public elementary and secondary education. In some formulas, additional factors are multiplied by the formula child count and expenditure factor. These maximum grants are then ratably reduced so that in the aggregate they equal the level of available appropriations for each formula, taking into account a variety of state and LEA minimum grant and hold harmless provisions. In general, LEAs must have a minimum number of formula children and/or a minimum formula child rate to be eligible to receive a grant under a specific Title I-A formula. Some LEAs may qualify for a grant under only one formula, while other LEAs may be eligible to receive grants under multiple formulas. Once funds reach LEAs, the amounts allocated under the four formulas are combined and used jointly. **Table 1** summarizes various characteristics of the four Title I-A formulas.

Stages in the Grant Calculation Process

Under three of the formulas—Basic Grants, Concentration Grants, and Targeted Grants—grants are initially calculated at the LEA level. State grants are the total of allocations for all LEAs in the state, adjusted for state minimum grant provisions. Under the EFIG formula, grants are first calculated for each state overall and then funds are subsequently suballocated to LEAs within a state using a different formula. As a result, an LEA's EFIG grant is affected by both the amount of funding allocated to its state, based in part on the state's formula child count relative to other states, and the LEA's own share of that allocation, based in part on its formula child count relative to other LEAs in the state.

Formula Child Count and Rate

Each of the Title I-A formulas incorporates the same population factor, referred to as a formula child count. Each formula allocates funds to states or LEAs in proportion to their formula child counts, with various adjustments applied. The population used to determine Title I-A grants for the 50 states, the District of Columbia, and Puerto Rico (hereinafter referred to as *states*) includes children who are ages 5-17 and meet at least one of the following criteria: (1) in families in poverty, according to estimates from the U.S. Census Bureau's Small Area Income and Poverty Estimates (SAIPE) program⁵; (2) in institutions for neglected or delinquent children or in foster homes; or (3) in families with income above the federal poverty level but who receive local assistance through Temporary Assistance for Needy Families (TANF).⁶ To obtain the percentage of children in an LEA that are formula children (also referred to as the *formula child rate*), this formula child count is divided by the total number of children ages 5-17 living in the LEA's geographic boundaries. The latter data are also based on SAIPE estimates. In FY2022, children in poor families accounted for 96.8% of the total formula child count, aligning with the first criterion listed above. Each element of the population factor is updated annually.

⁵ SAIPE produces single-year estimates of income and poverty for all U.S. states and counties as well as estimates of school-age children in poverty for all 13,000+ school districts.

⁶ For a description of the TANF program, see CRS In Focus IF10036, *The Temporary Assistance for Needy Families (TANF) Block Grant*.

As Title I-A funds are allocated to states and LEAs based on their formula child counts, the practical effect of including this factor in all four formulas is to provide higher Title I-A grants to LEAs that have higher numbers of formula children.⁷ Under two of the four formulas, Targeted Grants and EFIG, the formula child rate may be used to determine a weighted formula child count, which can result in higher weighted formula child counts for LEAs with higher formula child rates (see discussion below).

To be eligible to receive a grant under each of the formulas, an LEA must meet certain eligibility requirements. These requirements vary by formula. As detailed in **Table 1**, the thresholds that an LEA must meet with respect to its formula child count and formula child rate in order to be eligible to receive a grant are lowest for the Basic Grant formula and highest for the Concentration Grant formula. The Targeted Grant and EFIG formulas each have the same eligibility criteria, which are similar to the Basic Grant formula eligibility requirements but with a higher formula child rate threshold.

Weighted LEA Formula Child Counts for Targeted Grant and EFIG Formulas

Both the Targeted Grant and EFIG formulas utilize a *weighted formula child count* to increase aid to LEAs with the highest numbers or percentages of formula children. In general, children counted in the formulas are assigned weights on the basis of (1) each LEA's formula child rate (commonly referred to as *percentage weighting*) and (2) each LEA's number of formula children (commonly referred to as *number weighting*). The weights are applied under number weighting and under percentage weighting in a stepwise manner to all LEAs for which ED calculates Title I-A grants to produce two weighted formula counts. The higher of the two weighted counts is used to determine LEA grant amounts. In general, the higher an LEA's formula child count or formula child rate is, the higher its grant amount per child counted in the formula will be.

Expenditure Factor

All four Title I-A formulas incorporate an expenditure factor based on a state's APPE. In general, LEAs in states with a relatively higher expenditure factor may receive larger Title I-A grants than LEAs in states with a relatively low expenditure factor after taking into account the LEA's formula child count. While this factor weights Title I-A funding toward higher spending states, the effect is truncated by upper and lower bounds placed on the state's expenditure factor. There is an upper bound on the expenditure factor that limits the amount of state spending that can be counted toward the expenditure factor and a lower bound that establishes a minimum state APPE amount that must be included in the expenditure factor. States with spending above the upper bound will have their state APPE capped. States with spending below the lower bound will have their state APPE increased to the lower bound amount. The practical effect of these bounds is to prevent high-spending states from being able to benefit fully from their ability to spend more on education than other states, while providing a boost to low-spending states by increasing their expenditure factor for purposes of grant calculations. This helps to temper the effect of the differences in state APPE on Title I-A grant amounts.

⁷ For a more detailed discussion of the effects of Title I-A formula factors on Title I-A grant amounts, see CRS Report R45141, *Analysis of the Elementary and Secondary Education Act Title I-A Allocation Formulas: Factors, Design Elements, and Allocation Patterns*.

For LEAs in a given state, the expenditure factor for all four Title I-A formulas is equal to state APPE for public elementary and secondary education,⁸ subject to a minimum and a maximum percentage of the national average, further multiplied by 0.40. State APPE is subject to a minimum of 80% and a maximum of 120% of the national APPE for Basic, Concentration, and Targeted Grants. That is, if a state's APPE is less than 80% of the national APPE, the state's APPE is automatically raised to 80% of the national APPE. If a state's APPE is more than 120% of the national APPE, the state's APPE is automatically reduced to 120% of the national APPE. For EFIG, the minimum and maximum thresholds for state APPE relative to national APPE are 85% and 115%, respectively. After adjustments, should they be needed, a state's APPE is multiplied by 0.40 as specified in statute.

LEA Hold Harmless and State Minimum Grant Provisions

All four formulas contain hold harmless provisions to prevent large decreases in LEA grant amounts from year to year, assuming appropriations are sufficient to provide hold harmless amounts. If appropriations are sufficient, a Title I-A hold harmless amount is the minimum grant amount an LEA will receive in a given year based on a specified percentage of the LEA's prior-year grant amount. Under all four formulas, LEAs with a relatively high percentage of formula children receive a higher hold harmless level. More specifically, the hold harmless rate under each formula is 85% of the prior-year grant if the LEA's percentage of formula children is less than 15%; 90% if it is at or above 15% and less than 30%; and 95% if it is at or above 30%. To benefit from the hold harmless provisions under each formula, an LEA must meet the eligibility requirements for the specific formula. The exception to this requirement is that LEAs that met the eligibility requirements to receive a Concentration Grant but fail to meet the requirements in a subsequent year will continue to receive a grant based on the hold harmless provisions for four additional years after the year in which the LEA last met eligibility requirements. Hold harmless provisions are met by reducing the amount of funding provided to LEAs that would receive grants in excess of their hold harmless amounts to provide other LEAs with their hold harmless grant amounts.

All four formulas have state minimum grant provisions. State minimum grant provisions increase the amount of funding provided to small states (i.e., states with low formula child counts) to enable them to operate more robust Title I-A programs. State minimum grant provisions are funded by reducing the amount of funding provided to all the other states in order to support the smaller states. This has the effect of providing small states with higher Title I-A grants per formula child relative to states that do not benefit from the state minimum grant provisions. State minimum grant amounts for each formula are calculated in part or in whole based on a specified percentage of the level of appropriations provided to each formula.⁹ This percentage is higher

⁸ State APPE is based on (1) the aggregate current expenditures of all LEAs in the state plus any direct expenditures by the state for the operation of those LEAs, divided by (2) the aggregate number of children in average daily attendance to whom those LEAs provided free public education. For the purposes of determining state APPE, current expenditures include those to provide a free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities. Current expenditures do not include those for community services, capital outlay, debt service, or any expenditures made from funds received under ESEA Title I. In addition, to have state APPE reflect only state and local education costs, other federal revenue items that are large enough to have a "substantive effect on current expenditures" are removed. For example, revenue from the National School Lunch Program administered by the U.S. Department of Agriculture is removed from the numerator. (For more information, see U.S. Department of Education, National Center for Education Statistics, *Study of the Title I, Part A Grant Program Mathematical Formulas*, May 2019, p. 17, <https://nces.ed.gov/pubs2019/2019016.pdf>.)

⁹ For more information about the minimum grant percentages that apply to Title I-A formulas, see CRS Report R44461, *Allocation of Funds Under Title I-A of the Elementary and Secondary Education Act*.

under the Targeted Grant and EFIG formulas than it is under the Basic and Concentration Grant formulas.

Factors Included Only in the EFIG Formula

The EFIG formula includes two factors used to determine state-level grants that are not included in any of the other three formulas—the effort factor and the equity factor. The effort factor for each state is based on APPE for public elementary and secondary education compared to personal per capita income (PCI) for each state compared to the ratio of those figures for the nation as a whole.¹⁰ In general, the effort factor benefits states that have a relatively high level of spending on education relative to the PCI in their state. Similar to the expenditure factor, the effort factor is also bounded, but with more narrow bounds of 0.95 and 1.05. These relatively narrow bounds diminish the influence of the effort factor in the determination of state grants. The effort factor is the same for all LEAs in a given state.

The equity factor for each state is determined based on variations in current expenditures per pupil (CEPP)¹¹ among the LEAs in the state. The formula uses a measure of disparity referred to as the coefficient of variation (CV) to calculate within-state variation in CEPP.¹² The CV is subtracted from 1.3 to produce a state’s equity factor. The application of the equity factor results in higher grants to states with less variation in CEPP (i.e., lower CV) among their LEAs and lower grants to states with greater variation in CEPP (i.e., higher CV) among their LEAs. That is, the equity factor favors states that have the least amount of disparity in spending among their LEAs.

In addition to determining state grant amounts under EFIG, the equity factor is also used in the determination of LEA weighted student counts for the purposes of suballocating grants to LEAs. Depending on a state’s CV, one of three sets of weights is used in determining an LEA’s weighted formula child count.¹³ While the use of the equity factor in determining state grants rewards states where variation of CEPP among LEAs varies the least, at the LEA level, higher weights are generally used in determining weighted student counts for LEAs in states where CEPP among LEAs varies more (i.e., a state has a higher CV). Within a state with more variation in CEPP among its LEAs, the use of higher sets of weights results in higher grants for LEAs with a relatively high number of formula children or a relatively high formula child rate relative to what

¹⁰ More specifically, the effort factor is a ratio of the three-year average state APPE for public elementary and secondary education to the three-year average state PCI divided by the ratio of the three-year average national APPE to the three-year average national PCI.

¹¹ The CEPP includes all current expenditures, including instruction, support services, and food services. It does not exclude federal programs in the determination of current expenditures. This is in contrast to the state APPE calculation, which excludes federal programs “that may have a substantive effect on current expenditures.” (For more information, see U.S. Department of Education, National Center for Education Statistics, *Study of the Title I, Part A Grant Program Mathematical Formulas*, May 2019, p. 19, <https://nces.ed.gov/pubs2019/2019016.pdf>.) To calculate the CEPP for an LEA, current expenditures are divided by the sum of (1) total enrollment plus (2) the number of formula children multiplied by 1.4.

¹² The CV measures the average amount of difference within a state among each LEA’s CEPP and the state average CEPP. Only LEAs that enroll more than 200 students are included in the calculation. Statutory provisions set the CV for jurisdictions with only one LEA (District of Columbia, Hawaii, and Puerto Rico) at 0.0. Statutory provisions also set the CV for Alaska, Kansas, and New Mexico at 0.1.

¹³ LEAs in states with an equity factor of less than 0.1 (meaning that there is less variation in CEPP among the LEAs in the state) receive the lowest set of weights. LEAs in states with an equity factor of 0.1 to less than 0.2 receive weights that are generally higher than those used for the aforementioned set of LEAs. LEAs in states with an equity factor of 0.2 or higher (meaning that there is greater variation in CEPP among LEAs in the state) receive the highest set of weights. For example, some of the weights accorded to LEAs in the latter group are twice as high as those accorded to LEAs in the first group.

would be provided if only a single set of weights was used. Conversely, the lower the variation in CEPP among LEAs in a given state, the lower the weights used to determine weighted formula child counts. Thus, in a state with less variation in CEPP among its LEAs, the use of the weights produces smaller differences in the weighted formula child counts of LEAs with a relatively high number of formula children or a relatively high formula child rate as compared with other LEAs in the state.

LEA Grant Allocations

After calculating grant amounts, ED provides each SEA with these amounts for LEAs in the state. SEAs must make adjustments to these grant amounts to reserve Title I-A funds at the state level for school improvement.¹⁴ The SEA may also reserve funds for administration and direct student services.¹⁵ In addition, the state must make adjustments to account for LEAs for which ED is unable to estimate grant amounts, such as charter schools that operate as independent LEAs¹⁶ or newly formed LEAs. Thus, the estimated LEA grant amounts calculated by ED may be higher than what an LEA would actually receive.

Allocations at the School Level

Unlike other federal elementary and secondary education programs, most Title I-A funds are subsequently allocated to individual public schools by formula, although LEAs retain substantial discretion to control the use of a significant share of Title I-A grants at a central district level.¹⁷ While there are several rules related to school selection, LEAs must generally rank their public schools by their percentages of students from low-income families and serve them in rank order. This must be done without regard to grade span for any eligible school attendance area¹⁸ in which the concentration of children from low-income families exceeds 75%. Below this point, an LEA can choose to serve schools in rank order at specific grade levels (e.g., only serve elementary schools in order of their percentages of children from low-income families). LEAs have the option to serve elementary and middle schools with more than 75% of their children from low-income families and high schools with more than 50% of their children from low-income families before choosing to serve schools in rank order by specific grade levels.

¹⁴ For school improvement activities, the SEA is required to reserve the greater of (1) 7% of the state's total Title I-A allocation or (2) the sum of the amount that it reserved for school improvement in FY2016 and the amount that it received under the School Improvement Grant (SIG) program in FY2016.

¹⁵ SEAs may reserve up to 3% of the state's total Title I-A allocation for direct student services. Funds reserved for this purpose are awarded by the SEA to LEAs to support individualized academic services for students to improve student achievement.

¹⁶ For example, during the 2019-2020 school year, there were 4,047 independent charter districts in the United States (U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics*, April 2022, Table 214.30, https://nces.ed.gov/programs/digest/d21/tables/dt21_214.30.asp?current=yes). Independent charter districts are not included in the dataset used by ED to calculate Title I-A grants.

¹⁷ For detailed guidance regarding the selection of schools to receive Title I-A grants and the allocation of funds among them, see U.S. Department of Education, *Within-District Allocations Under Title I, Part A of the Elementary and Secondary Education Act*, February 2022, <https://oese.ed.gov/files/2022/02/Within-district-allocations-FINAL.pdf>.

¹⁸ A *school attendance area* means, in relation to a particular school, the geographic area in which the children who are normally served by that school reside. An *eligible school attendance area* means a school attendance area in which the percentage of children from low-income families is at least as high as the percentage of low-income families served by the LEA as a whole.

All Title I-A participating schools must generally have a percentage of children from low-income families that is higher than the LEA's average, or 35%, whichever of these two figures is lower,¹⁹ although LEAs have the option of setting school eligibility thresholds higher than the minimum in order to concentrate available funds on a smaller number of schools.²⁰ LEAs establish a per-pupil payment for each child from a low-income family in a Title I-A school. LEAs may establish higher per-pupil payments at schools with higher percentages of children from low-income families provided higher per-pupil payments are not made at a school with a lower percentage of children from low-income families.

Schools that receive Title I-A funds operate one of two types of Title I-A programs. Schoolwide programs²¹ are authorized if the percentage of low-income students served by a school is 40% or higher.²² In schoolwide programs, Title I-A funds may be used to improve the performance of all students in a school. For example, funds might be used to provide professional development services to all of a school's teachers, upgrade instructional technology, or implement new curricula. The other basic type of Title I-A school service model is the targeted assistance program (TAP).²³ Under TAPs, Title I-A-funded services are generally limited to the lowest-achieving students in the school. For example, students may receive additional instruction in an after-school program, or funds may be used to hire a teacher's aide who provides additional assistance to low-achieving students in their regular classroom. In general, schools have substantial latitude in how they use Title I-A funds, provided the funds are used to improve student academic achievement.

Equitable Services for Private School Students²⁴

Under Title I-A, Section 1117, after timely and meaningful consultation with private school officials, LEAs are required to provide eligible private school children on an equitable basis with services and other benefits under Title I-A that address their needs. LEAs also must ensure that teachers and families of the children participate on an equitable basis in services and activities related to parent involvement.²⁵ The services, benefits, materials, and equipment provided must be secular, neutral, and nonideological. Equitable services must be provided in a timely manner and may be provided through a third-party contractor. The control of public funds and materials purchased with those funds must remain with a public agency.²⁶

¹⁹ This minimum percentage is reduced from 35% to 25% for schools participating in certain desegregation plans.

²⁰ There is an exemption from all of the Title I-A school selection requirements for *small LEAs*—defined in this case as those with enrollments of 1,000 or fewer students.

²¹ Schoolwide programs are authorized in ESEA, Section 1114.

²² A Title I-A school in which less than 40% of the children are from low-income families may request a waiver from the SEA to operate a schoolwide program.

²³ Targeted assistance programs are authorized in ESEA, Section 1115.

²⁴ For a detailed discussion of equitable services, see CRS Report R46907, *Equitable Services for Private School Students and Staff and the Elementary and Secondary Education Act*.

²⁵ Parent involvement requirements are included in ESEA, Section 1116. If an LEA reserves funds from its allocation for Section 1116, it must provide for the equitable participation of parent involvement activities in private schools. This can be determined based on the proportion of private school students from low-income families residing in the public school attendance area relative to all students from low-income families residing in the public school attendance area.

²⁶ For example, if it were determined during consultation between an LEA and a private school with students who were going to be served with Title I-A funds that the students needed books or computers, the books or computers purchased with Title I-A funds could be placed in the private school for student use but would remain the property of a public agency.

Private school students must reside, as opposed to attend a private school located, in a participating public school attendance area²⁷ to be eligible for services provided under Title I-A. That is, the LEA in which the student resides is responsible for providing services to the child even if the student attends a private school in another LEA.²⁸ Based on the total number of children from low-income families residing in each school attendance area who attend either public or private schools, the LEA calculates the total amount of funds available for each area. The amount reserved for equitable participation is determined by multiplying the per-pupil allocation for the LEA under Title I-A by the number of private school students from low-income families who reside in the attendance area. This calculation is to apply to the LEA's total Title I-A grant per pupil, before deduction of any funds off the top of the LEA's grant for purposes such as administration; parent involvement; services to neglected, delinquent, or homeless children and youth; or LEA-wide initiatives.²⁹

²⁷ An eligible public school attendance area (generally a school) is identified by an LEA based on data on students from low-income families used to determine which school attendance areas will receive Title I-A funds. For more information on how LEAs make this determination, see CRS Report R44461, *Allocation of Funds Under Title I-A of the Elementary and Secondary Education Act*, p. 16; and CRS Report R46600, *ESEA: Title I-A Poverty Measures and Grants to Local Education Agencies and Schools*, pp. 14-18.

²⁸ If this is the case, the LEA responsible for the child can choose to reimburse the LEA in which the private school is located for the provision of services rather than providing the services itself. See U.S. Department of Education, Office of Innovation and Improvement, Office of Non-Public Education, *Title I, Part A, of the Elementary and Secondary Education Act of 1965, as Amended by the Every Student Succeeds Act: Providing Equitable Services to Eligible Private School Children, Teachers, and Families, Updated Non-Regulatory Guidance*, Washington, DC, October 7, 2019, p. 32, <https://www2.ed.gov/about/inits/ed/non-public-education/files/equitable-services-guidance-100419.pdf>.

²⁹ After a total amount for services to eligible private school students is calculated, based on the total Title I-A grant per child from a low-income family in the LEA, any necessary funds to administer equitable services for eligible private school students may be deducted from the total amount available for such services.

Table I. Overview of ESEA Title I-A Allocation Formula Characteristics

Formula Characteristic	Basic Grant Formula	Concentration Grant Formula	Targeted Grant Formula	Education Finance Incentive Grant (EFIG) Formula
Formula child count	Children ages 5-17 meeting at least one of the following criteria: (1) in poor families; (2) in institutions for neglected or delinquent children or in foster homes; or (3) in families receiving Temporary Assistance for Needy Families (TANF) payments above the poverty income level for a family of four	Same as Basic Grants	Same as Basic Grants	Same as Basic Grants
Formula child rate	The percentage of children ages 5-17 residing in a given LEA who are formula children, calculated by dividing the number of formula children in an LEA by the number of children ages 5-17 who reside in the LEA's geographic boundaries	Same as Basic Grants	Same as Basic Grants	Same as Basic Grants
Formula child eligibility threshold for LEAs	10 or more formula children <i>and</i> a formula child rate of more than 2%	More than 6,500 formula children <i>or</i> a formula child rate of more than 15% <i>and</i> must meet the eligibility requirements for Basic Grants	10 or more formula children <i>and</i> a formula child rate of 5% or more	Same as Targeted Grants
Weighting of formula child count by number of formula children or formula child rate	None	None	At all stages of the allocation process, formula children are assigned weights on the basis of each LEA's number of formula children and formula child rate	For allocation of funds within states only, formula children are assigned weights on the basis of each LEA's number of formula children and formula child rate and the state's equity factor

Formula Characteristic	Basic Grant Formula	Concentration Grant Formula	Targeted Grant Formula	Education Finance Incentive Grant (EFIG) Formula
Expenditure factor	State average expenditures per pupil for public K-12 education, subject to a minimum of 80% and maximum of 120% of the national average, further multiplied by 0.40	Same as Basic Grants	Same as Basic Grants	Same as Basic Grants, except that the minimum is 85% and the maximum is 115% of the national average
Minimum state grant ^a	Up to 0.25% of total funding available for state grants under the Basic Grant formula, subject to a series of caps	Up to 0.25% of total funding available for state grants under the Concentration Grant formula, subject to a series of caps	Up to 0.35% of total funding available for state grants under the Targeted Grant formula, subject to a series of caps	Up to 0.35% of total funding available for state grants under the EFIG formula, subject to a series of caps
LEA hold harmless	85%–95% of the previous-year grant, depending on the LEA's formula child rate, applicable only to LEAs meeting the formula's eligibility thresholds	Same as Basic Grants except LEAs are eligible for the hold harmless for up to four years after they no longer meet the eligibility threshold	Same as Basic Grants	Same as Basic Grants
Stages in the grant calculation process	Grants are calculated at the LEA level, subject to state minimum provisions	Same as Basic Grants	Same as Basic Grants	Grants are first calculated for states overall, then state grants are allocated to LEAs in a separate process
Additional formula factors	None	None	None	State effort and equity factors are applied in the calculation of state total grants ^{b,c}

Source: Table prepared by CRS based on an analysis of the ESEA.

- a. Formula child counts are used to determine the caps on the minimum grants under all four formulas. Under Basic Grants, Concentration Grants, and Targeted Grants, only formula children in LEAs eligible for Title I-A are included in the determination of the state minimum grant amounts. Under EFIG, all formula children, regardless of whether or not they reside in an LEA eligible for Title I-A, are included in the determination of the state minimum grant amounts.
- b. The effort factor is calculated based on average per pupil expenditures for public K-12 education compared to personal per capita income for each state compared to the nation as a whole.
- c. The equity factor is determined based on variations in average per pupil expenditures among the LEAs in each state.

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