

## Title I, Part A, Improving Basic Programs

The process for calculating Title I, Part A (TIA) allocations is prescribed by the US Department of Education (USED) in the 2003 Non-regulatory Guidance, with revised guidance published in 2016 following ESSA.

### Allocation for geographical LEAs (“LEAs” in Michigan)

- USED provides the base data for geographical LEAs, and includes poverty count, poverty percentage, the population of students aged 5-17, and a dollar allocation amount for each of the TIA subgrants for each LEA. States are *required* to use this data for geographical LEAs.
- TIA is comprised of four subgrants; Basic, Concentrated, Targeted and Education Finance Incentive Grant (EFIG). Each has different criteria for eligibility:

TIA Subgrant	TIA Eligible Cnt		TIA Pov Per		TIA Eligible Cnt
Basic	>= 10	AND	>= 2%		
Concentration	>= 10	AND	>= 15%	OR	>= 6,500
Targ/EFIG	>= 10	AND	>= 5%		

- The poverty count, poverty percentage and count of enrolled students are taken from the US Census count *two years prior to the allocation year*. (E.g., the 2018 US Census data are used for 2019-20 allocations).
- The USED data are reviewed, and the data for agencies that merged, closed, or are open-but-not-educating are adjusted as necessary.

### Allocations for non-geographical LEAs (“PSAs” in Michigan)

Allocations for PSAs are created using a methodology previously approved by USED:

- The total state US Census Poverty count is divided by the total state Free Lunch count to create an “equating factor.” \*\*
  - Note: The PSA Free Lunch count is provided by CEPI (this the certified free lunch count data), and the enrollment count is provided by State Aid. Data from the fall count immediately preceding the allocation year are used.
- The equating factor is then multiplied by each PSA’s Free Lunch count to create an “equated poverty count” for each PSA.
- The *total* state equated poverty count of eligible PSAs (using the same eligibility criteria stated above) is compared to the total state poverty count for each of the four TIA subgrants in order to create a prorated amount of the total funds available for each of the four subgrants for final distribution to the PSAs.
- Each PSA’s equated poverty count is then compared to the total PSA poverty count to determine its proration of the funds available to PSAs. For example, a PSA whose equated poverty count is 1% of the total state PSA poverty count would receive 1% of the funds reserved for PSAs for each TIA subgrants for which it is eligible.

### Hold Harmless (HH)

- TIA legislation specifies that agencies are entitled to a hold harmless (guarantee amount) to protect them against dramatic drops in allocations from year to year.
- The hold harmless guarantee is based on their poverty percentage, and falls into one of three categories (85%, 90%, or 95% of their prior year allocation).

Percentage of LEA formula children ages 5 to 17, inclusive, as a percentage of its total population of children ages 5 to 17, inclusive, and variable hold-harmless percentage	Hold-harmless applies on a formula-by-formula basis
(i) 30 percent or more: 95 percent (ii) 15 percent or more but less than 30 percent: 90 percent (iii) Less than 15 percent: 85 percent	<ul style="list-style-type: none"> <li>• To apply under Basic Grants, Targeted Grants, or Education Finance Incentive Grants, respectively, an LEA must meet the eligibility criteria for the respective formula.</li> <li>• To apply under Concentration Grants, an LEA must meet the eligibility criteria in the current year or have met the criteria at least once in the four years prior to the current year.</li> </ul>

- The HH process is accomplished by deducting prorated amounts from agencies whose allocations are *greater* than their HH base and distributing those funds to agencies whose allocations are *less* than their HH base.
  - Note: The HH guarantee does *not* apply when an agency loses eligibility for the Basic, Targeted, or FIG subgrants. Funding for those grants is immediately reduced to zero when an agency becomes ineligible. Concentration Grant funding, however, can be given to agencies that fall out of eligibility for an additional four years after loss of eligibility, with the funding amount determined by the HH calculation.

### School Improvement and Administration

- USED specifies the amount to be deducted for School Improvement (7% maximum) and Administration (1% maximum). These are deducted by proration from the four subgrant allocations for each agency.

### Hold Harmless II

- After School Improvement and Administration, a second HH process is run to make whole agencies that fell below their HH base after deducting School Improvement and Administration

### Additional Notes

- This is a semi-detailed description of the allocation process. There are several other processes required, including:
  - The application of the School Improvement “special rule,” which can result in districts receiving less than their prior year hold harmless amount. The incorporation and funding of TIA Neglected students
  - Funding new PSAs at the *beginning* of the year using estimated data
  - Subsequently correcting original new and expanding PSA allocations using current year fall data
  - Funding existent PSAs that experience significant growth in enrollment since their prior year fall count
  - Distribution of funding for agencies that are no longer educating students but nevertheless have allocations in the USED data
  - Maintenance of Effort deductions

\*\* The US Census includes a poverty count for LEAs only. Therefore, an equivalent poverty count must be created for use in calculating TIA allocations for Michigan’s PSAs.

USED approved MI to use the Free Lunch (FL) count as the basis for an alternative poverty count for PSAs. The methodology for the US Census count, however, is different than that of the US Census count, so the two total state poverty counts differ significantly in number.

The following represents the two state poverty totals used in the SY 2020-21 TIA allocations:

US Census Total MI Poverty Count:	278,372
MI Free Lunch Count:	627,895

Because the counts are not equivalent, it would not be equitable to use a PSA's FL count as a direct equivalent of the US Census poverty count. The solution is to first determine a proportional relationship between the two total poverty count by dividing the total US Census poverty count by the total MI FL count:

$278,372 \text{ divided by } 627,895 = .443341642$

The result is known as the "Equating Factor" and represents a percentage relationship between the results of the two methodologies for determining poverty counts. In MI's TIA allocations, the Equating Factor is multiplied times each individual PSA's FL count to create the PSA's equivalent "TIA Eligible" count for use in TIA allocations.