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## MEMORANDUM

October 7, 2002  
: (Updated 10/21/02)

TechMIS Subscribers

**FROM:** Charles Blaschke

**SUBJECT:** News Alert on Release of Remaining Federal Funds

During a conversation with National Title I funding officer, Sandy Brown, he indicated that the remaining portion of the Title I allocation is being released to states and, later, to districts during the week of October 7. Because the Title I formula was changed for FY 2002 which resulted in major increases particularly in large districts, the impact of the nature of the release is having different impacts depending upon which of the four formula components a particular district is qualified to receive.

According to Brown, in July, 40 percent of the basic grant allocation for all districts was released. On the average, districts received approximately 22 percent of the total Title I allocation. However, for those districts which received concentration funds and large increases in the two new components which amounted to almost \$2 billion, the percentage of the July Title I allocations for FY 2002 for these districts was significantly less than 22 percent and closer to 20 percent. Hence, many of these districts used their initial Title I allocation to cover the cost of "opening the doors" in September for Title I programs and for "reserves" taking into account estimates of transportation and supplemental services for targeted schools. The impact of the large funding increase for these districts will occur when they receive the remaining allocation for the end of October and in some districts for states such as Texas and California in November through February.

This change in funding allocation process because of the new formula, explains why in many districts very little purchasing of products for new Title I schools or even schools identified for improvement for failing two consecutive years has occurred. The release of the remaining funds should spur a much needed expanded purchasing cycle in the immediate future.

If anyone has any questions about specific states to target first please contact me directly.