

The Education Department (ED) allocates program funds to States by formula. The Bureau of Indian Education (BIE) and the Outlying Areas each receive **0.5 percent** of the appropriation.



STATE FORMULA-ALLOCATED GRANT PROGRAM



current funding

\$2.06 billion
FY 2018

(known as Improving Teacher Quality State Grants under NCLB)

purpose: *to improve academic achievement, particularly among low-income and minority students, by increasing the quality and effectiveness of teachers, principals, and other school leaders. SEAs and LEAs have flexibility to carry out a wide variety of activities consistent with their specific needs.*



stakeholder engagement: LEAs must consult with teachers, principals, and other stakeholders in determining the best uses of Title II, Part A funds. States may require LEAs to confirm in their applications that they have involved these stakeholders not only in determining how to use the funds, but how to do so in ways that are likely to increase the probability that the funds have a necessary and positive impact on student achievement.

Base Allocation/Hold Harmless
 Each State receives an amount equal to the total amount that each State received for fiscal year 2001 (pre-NCLB) under the antecedent grant programs, Eisenhower Professional Development State Grants and Class Size Reduction.

Hold Harmless Phase-Out
 For each fiscal year, beginning in 2017 through 2022, the base allocation, or hold harmless, will be reduced by a factor of **14.29 percent** multiplied by the number of years removed from 2016.

$$[(\text{fiscal year}) - 2016] \times 0.1429 = \text{phase-out \%}$$

Ratable Reduction
 If the appropriation is insufficient to meet the base allocation, State allocations would be ratably reduced.

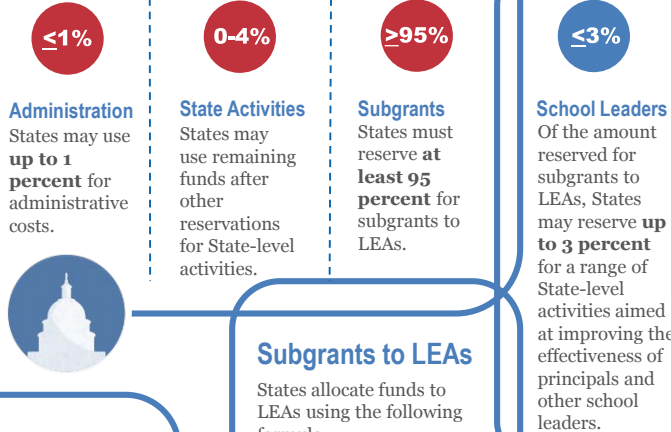
Remaining Funds
 If the appropriation is sufficient to meet the amount required under the base allocation/hold harmless, then the remaining funds are allocated according to a formula:

	FY 2017	FY 2018	FY 2019	FY 2020...
according to population (ages 5-17)	35%	30%	25%	20%
according to poverty (ages 5-17)	65%	70%	75%	80%

Exception: no State may receive less than **0.5 percent** of the remaining funds above the base allocation

State Use of Funds

RESERVED



Subgrants to LEAs

States allocate funds to LEAs using the following formula:

- 20%** based on each LEA's share of children aged 5 through 17
- 80%** based on each LEA's share of children aged 5 through 17 from low-income families

