



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION
Washington, DC 20202-6132

May 14, 2025

MEMORANDUM TO CHIEF STATE SCHOOL OFFICERS

Subject: **Preliminary** Fiscal Year (FY) 2025 (School Year (SY) 2025-2026)
Allocations for the Title I, Part A Grants to Local Educational Agencies (LEAs)
Program Authorized by the Elementary and Secondary Education Act of 1965
(ESEA)

I am pleased to send you the attached documents:

1. Preliminary FY 2025 State educational agency (SEA) and LEA allocations for the \$18.4 billion in Title I, Part A funds provided through Basic Grants, Concentration Grants, Targeted Grants, and Education Finance Incentive Grants (EFIG) that Congress made available under the Full-Year Continuing Appropriations and Extensions Act, 2025 (Act).
2. Preliminary FY 2025 Title I, Part A administrative base allocations that each SEA must use to estimate the maximum that it may reserve from this program for administration.
3. A State reservations table based on the preliminary allocations that shows the estimated amount of Title I, Part A funds that an SEA must reserve for school improvement and the estimated maximum amount that the SEA may reserve for State administration and Direct Student Services.
4. Two examples of applying the school improvement reservation's special rule in FY 2025 (discussed below under the "School Improvement" heading).
5. A notification to Congress that provides more detail about the operation of the Title I, Part A formulas.

Preliminary Allocations for Other ESEA Formula Grants

The U.S. Department of Education (ED) recognizes that SEAs are waiting for preliminary FY 2025 allocations for other ESEA formula grants. We will provide this information once it becomes available.

Calculation of Title I, Part A Allocations

In calculating preliminary FY 2025 Basic, Concentration, Targeted, and EFIG allocations for LEAs, ED used income year 2023 ages 5 to 17 poverty and population estimates provided by the U.S. Census Bureau (Census) based on LEA boundaries as they existed in SY 2023-2024 and State per-pupil expenditure (SPPE) data from SY 2022-2023 that SEAs reported to Census and

ED's National Center for Education Statistics (NCES). ED also used the same October 2023 State-reported data on the number of children in locally operated neglected or delinquent institutions, foster homes, and families above poverty receiving assistance under the Temporary Assistance for Needy Families program (non-Census data) that it used for FY 2024 allocations. With respect to the EFIG formula, ED used the same LEA finance data that it used for FY 2024 allocations.

ED expects to release final allocations in June, which will differ from the preliminary allocations because of updates to the non-Census data and LEA finance data mentioned above. There may be additional differences if a State were to report revisions to its SPPE data. The final allocations will be the basis on which ED awards Title I, Part A funds to SEAs on July 1, 2025. If an SEA were to report revised SY 2022-2023 SPPE data after ED calculates the final allocations, as has been the case in recent years, ED may need to revise the final allocations and would reflect these revisions in the FY 2025 Title I, Part A awards that it makes to SEAs on October 1, 2025. To reduce the possibility of having to issue revised final allocations, I encourage SEAs to work closely with Census and NCES to submit any necessary corrections to the SY 2022-2023 SPPE data as soon as possible.

In determining Title I, Part A LEA allocations, ED used the variable hold-harmless provision in sections 1122(c) and 1125A(f)(3) of the ESEA. Each eligible LEA is generally guaranteed at least 85, 90, or 95 percent of the amount allocated to it in the preceding year under each formula, depending on its percentage of formula children compared to its total school-age population ages 5 through 17. In the case of Concentration Grants, the ESEA provides that an LEA that does not meet the statutory eligibility thresholds is guaranteed its hold-harmless amount for four consecutive years. Therefore, an LEA that last met the eligibility thresholds for a Concentration Grant in FY 2021 but not in FY 2022, FY 2023, FY 2024, and FY 2025 would receive its hold-harmless amount in FY 2025. If that LEA, however, fails to meet the Concentration Grant eligibility thresholds in FY 2026, it will no longer be eligible for the hold-harmless guarantee.

SEA Adjustments to ED's Title I, Part A Allocations

As also noted in the memorandum on FY 2024 Title I, Part A allocations, the Every Student Succeeds Act (ESSA) made several changes to the ESEA regarding how an SEA adjusts the ED-determined Title I, Part A LEA allocations to account for differences between ED's list of LEAs and the universe of LEAs within a State and to make State-level reservations. The ESEA now includes specific language requiring an SEA to calculate a hold-harmless amount for each formula that reflects the increased enrollment for a newly opened or significantly expanded charter school LEA and contains new and revised State-level reservations that affect the final Title I, Part A LEA allocations calculated by an SEA. These changes took effect beginning with FY 2017 Title I, Part A allocations and continue to apply to the FY 2025 Title I, Part A allocations that are the subject of this memorandum and to those of subsequent years.

Details on these changes, along with within-State allocation provisions that were in the ESEA, as amended by the No Child Left Behind Act of 2001 (NCLB), that continue, such as applying the hold-harmless provisions under each formula, are described in ED's November 2016 guidance on fiscal changes under the ESSA (ESSA fiscal changes guidance) [available at:

<https://www.ed.gov/sites/ed/files/2024/01/essguidance160477-1.pdf>]. Please see Section I, “Title I Within-State Allocations.” Information on State-level reservations under the ESEA, as amended by the ESSA, follows.

School Improvement: Special Rule that Applies to FY 2018 Allocations and Subsequent Years

Under section 1003(a) of the ESEA, and as described in Step 4a of the ESSA fiscal changes guidance, an SEA must ratably reduce as applicable the total Title I, Part A allocation of LEAs, consistent with the special rule described below, to reserve for school improvement activities the greater of:

- Seven percent of the SEA’s FY 2025 Title I, Part A award; or
- The sum of the total amount that the SEA reserved for school improvement under section 1003(a) from its FY 2016 Title I, Part A award (generally, four percent of that award) and the amount of the SEA’s FY 2016 School Improvement Grants (SIG) allocation under section 1003(g) of the ESEA, as amended by NCLB.

With respect to reserving FY 2025 (and subsequent years) Title I, Part A funds for school improvement, the special rule in section 1003(h) of the ESEA requires an SEA, in reserving funds for school improvement, to ensure that no LEA receives less in total under Title I, Part A than it received in the prior year. This means that an SEA may only reserve funds for school improvement from LEAs that have an increase in their Title I, Part A allocation over the prior year’s amount. It is possible that this provision in conjunction with an overall reduction in a State’s Title I, Part A allocation may limit the ability of some SEAs to reserve the full amount for school improvement.

To assist your State with determining the amount of this reservation, the enclosed State reservations table, described in number 3 on the first page of this memorandum, shows the total amount of FY 2025 Title I, Part A funds that each SEA must reserve for school improvement based on the FY 2025 preliminary allocations if, consistent with section 1003(h), the SEA is able to reserve the full amount. This amount will change in the final FY 2025 Title I, Part A allocations, and ED will update this table when it releases final FY 2025 allocations.

Attachment 4 (called “Section 1003(h) special rule model”) provides two examples of reserving funds for school improvement and applying the section 1003(h) special rule. In the first example an SEA has sufficient funds to reserve the full amount and in the second example the SEA has insufficient funds to reserve the full amount. The examples correspond with the discussion of the special rule in Step 4a of the ESSA fiscal changes guidance.

State Administration

Section 1004(a) of the ESEA continues to allow an SEA to reserve for State administration of Title I not more than one percent or \$400,000, whichever is greater, from funds allocated to the State under Title I, Parts A, C, and D (Subpart 1). Similar to prior years, for FY 2025 the administrative cap provision in section 1004(b) of the ESEA applies because the total appropriated for Title I, Parts A, C, and D, exceeds \$14 billion. Under section 1004(b), the

amount an SEA reserves for State administration may not exceed one percent of the amount it would otherwise receive if \$14 billion were allocated among the States for Title I, Parts A, C, and D. In order for an SEA to estimate the maximum it may reserve for Title I State administration from Title I, Part A, the administrative base table described in number 2 on the first page of this memorandum shows how much each SEA would receive under Title I, Part A, and the State reservations table described in number 3 on the first page of this memorandum shows the maximum amount of Title I, Part A funds each SEA may reserve for State administration based on the preliminary allocations and ESEA section 1004(b). As noted above, preliminary FY 2025 allocations for other ESEA programs, including Title I, Parts C and Part D (Subpart 1), are not yet available. Therefore, ED will update these tables after the Title I, Part C and Part D, administrative base amounts under ESEA section 1004(b) are known. ED will also update these tables when it releases final FY 2025 Title I, Part A allocations in June.

Direct Student Services

Section 1003A(a)(1) of the ESEA provides that an SEA has the option to reserve not more than three percent of the funds allocated to the State under Title I, Part A for Direct Student Services (DSS). The State reservations table described in number 3 on the first page of this memorandum also shows the maximum amount an SEA may reserve for DSS if the SEA chooses to reserve funds for this purpose. For more information on DSS, please see ED's March 31, 2025, [letter](#) on educational choice.

Thank you for your leadership in implementing Title I, Part A. Please send any questions about the allocations to Andrew Lindsay (Andrew.Lindsay@ed.gov), Victoria Rosenboom (Victoria.Rosenboom@ed.gov), Kateri Spear (Kateri.Spear@ed.gov), Todd Stephenson (Todd.Stephenson@ed.gov), and OESE.titlei-a@ed.gov.

Sincerely,

/s/

Patrick Rooney
Director, School Support and Accountability

Attachments

cc: State Title I Directors