

DOCUMENT RESUME

ED 354 635

EA 024 720

AUTHOR Irwin, Paul M.
 TITLE Elementary and Secondary Education Act of 1965:
 Allocation Methods. CRS Report for Congress.
 INSTITUTION Library of Congress, Washington, D.C. Congressional
 Research Service.
 REPORT NO CRS-92-923-EPW
 PUB DATE 3 Dec 92
 NOTE 19p.
 PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC01 Plus Postage.
 DESCRIPTORS Educational Policy; Elementary Secondary Education;
 *Federal Aid; *Federal Programs; Federal State
 Relationship; *Financial Support; Grants; *Resource
 Allocation
 IDENTIFIERS *Department of Education; *Elementary Secondary
 Education Act

ABSTRACT

The Elementary Secondary Education Act (ESEA) of 1965 authorizes 39 programs that are administered by the United States Department of Education and account for \$8.6 billion in FY 1993. ESEA funds are distributed through three allocation methods: formulas, discretionary grants, and specifically designated recipients. Almost half of ESEA programs distribute funds through discretionary grants, but most ESEA funds are distributed through allocation formulas. In FY 1993, 93 percent of all ESEA funds are awarded in 39 funded programs, 14 of which require allocation formulas. These formulas determine the proper recipient level of government, population groups, cost factors, minimum grant provisions, and special provisions for the Outlying Areas (Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and Palau). Of the 39 funded programs, 19 allocate funds through competitive awards. This method is most often used for programs with smaller funding levels such as demonstration programs, technical assistance, or research activities that are unlikely to need funding in every state or school district. Only 6 of 39 ESEA programs use funding where the specific recipient is identified. This method is used most often to support a specific study or evaluation, or a particular private organization or activity. (JPT)

 * Reproductions supplied by EDRS are the best that can be made *
 * from the original document. *

CRS Report for Congress

Elementary and Secondary Education Act of 1965: Allocation Methods

ED354635

U. S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

This document has been reproduced as
received from the person or organization
originating it.
Minor changes have been made to improve
reproduction quality.

Points of view or opinions stated in this docu-
ment do not necessarily represent official
OERI position or policy.

Paul M. Irwin
Specialist in Social Legislation
Education and Public Welfare Division

December 3, 1992



Congressional Research Service • The Library of Congress

EA 024730

The Congressional Research Service works exclusively for the Congress, conducting research, analyzing legislation, and providing information at the request of committees, Members, and their staffs.

The Service makes such research available, without partisan bias, in many forms including studies, reports, compilations, digests, and background briefings. Upon request CRS assists committees in analyzing legislative proposals and issues, and in assessing the possible effects of these proposals and their alternatives. The Service's senior specialists and subject analysts are also available for personal consultations in their respective fields of expertise.

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965: ALLOCATION METHODS

SUMMARY

The Elementary and Secondary Education Act of 1965 (ESEA) authorizes 39 programs that have been funded at least once during the past 6 years. These programs are administered by the U.S. Department of Education, and account for appropriations of \$8.6 billion in FY 1993. The ESEA is scheduled to be reauthorized by the 103d Congress.

The ESEA includes three different types of allocation methods by which the Secretary of Education distributes these funds: formulas, discretionary grants, and specifically designated recipients. Nearly half of the ESEA programs distribute awards through discretionary grants, but most ESEA funds are distributed through allocation formulas. The chapter 1, title I program of grants to local educational agencies (LEAs) is distributed by allocation formula, accounting for 71 percent of all ESEA funds. As highlighted below, this report describes the major allocation methods used for the distribution of ESEA funds.

Most ESEA funds are distributed through allocation formulas. Of the 39 funded programs, 14 require allocation formulas, and these account for 93 percent of all ESEA funds in FY 1993. These formulas typically specify the recipient level of government, population groups, cost factors, minimum grant provisions, and special provisions for the Outlying Areas. The chapter 1 program of grants to LEAs specify grants to LEAs or counties for the education of disadvantaged children. Most of the remaining formula grant programs allocate awards to the States; these programs support the special needs of other students, such as migratory children; instruction in special subjects, such as mathematics; or program improvement and innovation, such as the chapter 2 education block grant.

Almost half of the ESEA programs authorize discretionary grants. Of the 39 programs, 19 allocate funds through competitive awards, usually under the administration of the Secretary of Education. This method of distribution appears to be favored for ESEA programs with smaller levels of funding, such as demonstration programs, technical assistance, or research activities that are unlikely to need funding in every State or school district. Eligible recipients often include LEAs or State educational agencies, and sometimes include nonprofit organizations and institutions of higher education.

A few ESEA programs specify the recipient that is to receive funding for the specified activity. Of the 39 programs, 6 programs use this allocation method. This method appears to be used when the Congress wants to support a specific study or evaluation, or a particular private organization or activity. Examples include the National Commission on Migratory Education, Reading Is Fundamental, Inc. (RIF), and the Close-Up Foundation.

TABLE OF CONTENTS

ALLOCATION FORMULAS	1
Level of Government	2
Population Groups	3
Cost Factors and Other Adjustments	5
Cost Factors	5
Minimum Provisions	8
Outlying Areas	10
DISCRETIONARY ALLOCATIONS	12
DESIGNATED RECIPIENTS	14

LIST OF TABLES

TABLE 1. ESEA Programs and Populations Used for Allocations	4
TABLE 2. ESEA Programs and Cost Factors	7
TABLE 3. ESEA Programs and Minimum Provisions	9
TABLE 4. ESEA Programs and Allocations for Outlying Areas	11
TABLE 5. ESEA Programs With Discretionary Allocations	13
TABLE 6. ESEA Programs With Designated Recipients	14

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965: ALLOCATION METHODS

This report describes the major allocation methods used for the distribution of Federal funds for elementary and secondary education: allocation formulas, discretionary grants, and designated recipients. The report discusses only the programs authorized under the Elementary and Secondary Education Act of 1965, P.L. 89-10 (ESEA). Although the Congress has enacted several amendments in the past few years, the last major revision and extension of the ESEA was through the enactment of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, P.L. 100-297.¹ The ESEA is scheduled to be reauthorized by the 103d Congress.

The ESEA authorizes 39 programs that have received funding at least once since the enactment of the 1988 Amendments; the report **excludes** 6 ESEA programs that have not been funded since 1988.² Congress appropriated \$8.6 billion for these programs in FY 1993. The Secretary of Education distributes 93.3 percent of these funds (\$8.0 billion) through allocation formulas under 14 ESEA programs. In particular, the title I, chapter 1 program for local educational agencies (LEAs), consisting of basic and concentration grants, accounts for \$6.1 billion, or 71 percent of FY 1993 ESEA funds. Basic and concentration grants use separate allocation formulas, but recipients use these funds for the same objective, the provision of supplementary educational and related services to educationally disadvantaged children. With regard to the other ESEA programs, nearly half, 19 out of 39, require the allocation of awards under discretionary authority of the Secretary (\$0.6 billion, 6.4 percent). Under the ESEA statute, 6 programs specify the recipients that are to receive funds (\$32 million, 0.3 percent). Each of these allocation methods is discussed below.

ALLOCATION FORMULAS

Most dollars that are distributed under ESEA programs are allocated by formula under 14 programs, and most formula funds are distributed under the chapter 1 LEA basic programs. Education formulas typically specify several characteristics, including: **level of government**, such as States, counties, or LEAs; **population groups**, such as the number of children from low-income

¹For background information on P.L. 100-297, see U.S. Library of Congress. Congressional Research Service. *Elementary and Secondary Education: A Summary of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988, Public Law 100-297*. CRS Report for Congress No. 88-458 EPW, by the Education Section. Washington, 1988.

²For a brief summary of the ESEA, see U.S. Library of Congress. Congressional Research Service. *Elementary and Secondary Education Act of 1965: FY 1993 Guide to Programs*. CRS Report for Congress No. 92-625 EPW, by Paul M. Irwin. Washington, 1992.

families; and **cost factors and other adjustments**, such as minimum award amounts and special provisions for the Outlying Areas (Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and Palau).³

Level of Government

Allocation formulas usually designate a single unit of government as the basis for the calculation of grants. These governmental units are usually, but not always, the direct recipient of the Federal grants, and in most cases the recipients have the primary responsibility for the nonfederal administration of the program. The ESEA allocations formulas usually specify States, or State educational agencies (SEAs), as the units of government for the allocation formulas.⁴ For the Even Start program, grants to States are contingent on an annual appropriation of \$50 million or more; otherwise, the Secretary must make discretionary grants to LEAs, community-based organizations, or other nonprofit organizations.⁵ Two exceptions to the specification of States as the basis for ESEA formula allocations occur in title I, chapter 1, as follows:⁶

- Under the **LEA basic grant program**, LEAs are designated as the basis for the allotments if the Secretary of Education determines that satisfactory data for that purpose are available; otherwise, grants are determined at the county level, as has been the case since the start of the program in 1965. When funds are distributed by formula to counties, chapter 1 requires States to determine LEA allocations from funds available to each county.
- For **chapter 1 concentration grants**, allocations are initially calculated on the basis of data at the county level, with additional

³Section 6207 of P.L. 100-297 requires the Secretary of Education to conduct a study of the methods used for the allocation of funds among the States in Federal elementary and secondary education programs. Completed in 1991, the study analyzes whether States and local school districts should be rewarded for greater tax and fiscal efforts in support of education. The study assesses major ESEA allocation formulas, alternatives to current allocations, and the interstate distribution of funds. In contrast with this report, the Secretary's study analyzes some Federal programs authorized outside of the ESEA, including the impact aid program, education of disabled individuals, and vocational and adult education programs; excludes ESEA programs with smaller funding levels; and excludes all nonformula programs. For the full report, please see U.S. Department of Education, Office of Planning and Evaluation, *The Distribution of Federal Elementary Secondary Education Grants Among the States*. Stephen M. Barro, SMB Economic Research Inc., as subcontractor to Westat. Washington, 1991.

⁴In this report, the term State means the 50 States, the District of Columbia, and Puerto Rico, unless indicated otherwise.

⁵In this report, discussion of formula allocations for the Even Start program assumes an appropriation of at least \$50 million; the FY 1993 appropriation is \$89 million.

⁶For additional information on chapter 1 allocation formulas and programs, see U.S. Library of Congress, Congressional Research Service *Chapter 1--Education for Disadvantaged Children: Background and Issues*. CRS Report for Congress No 92-878 EPW, by Wayne C. Riddle. Washington, 1992.

adjustments, discussed below, for minimum amounts for States. As with basic grants, States determine LEA allocations from the funds available to each county.⁷

Population Groups

Education allocation formulas usually rely on population groups that approximate the intended beneficiaries. For the chapter 1 program for LEAs, the intended beneficiaries are **educationally** disadvantaged children living in relatively low-income areas (and the schools such children attend). Because nationally comparable data for such children are not collected, a measure of **economically** disadvantaged children is used as a proxy--the number of children aged 5 to 17 from low-income families ("poverty children"), as estimated in the decennial census. Two other special populations are counted along with poverty children for LEA allocations: (1) children in families above the poverty level that are receiving payments under the program for aid to families with dependent children; and (2) children living in institutions for neglected or delinquent children, or being supported in foster homes with public funds. However, the latter two groups together constitute approximately 4 percent of the children counted under the chapter 1 formula.

For other ESEA allocation formulas, a variety of populations are used for the calculation of grants, generally corresponding to the intended beneficiaries, or, in some instances, allocations are made proportional to grants from another program with a related purpose. For some programs, the intended beneficiaries are the entire elementary and secondary population. For these programs, the school age population of 5 to 17 years old is used as the basis for allocations. Examples include the chapter 2 education block grant program, foreign languages assistance, and part of the allocations for math and science State grants and drug-free schools State grants. For another group of programs, intended beneficiaries are similar to those under the chapter 1 program for LEAs. These programs include the Even Start program, chapter 1 grants for State administration and program improvement, and the remaining allocations for math and science State grants and drug-free schools State grants. Some programs are more closely targeted on a special population, such as migratory children or children with disabilities. In these instances, the allocation population is more narrowly defined to match the specific population. Table 1 summarizes the various population groups for each of the ESEA programs specifying an allocation formula.

⁷For additional information on concentration grants, see U.S. Library of Congress. Congressional Research Service. *Chapter 1 Concentration Grants: An Analysis of the Concept, and its Embodiment in Federal Elementary and Secondary Education Legislation* CRS Report for Congress No. 88-670 EPW, by Wayne Riddle Washington, 1988

TABLE 1. ESEA Programs and Populations Used for Allocations

Program^a	Population
Title I--Basic Programs	
Chapter 1 basic grants for LEAs	Children 5 to 17 years old from low-income families, children in families receiving payments under the aid to families with dependent children program that are above the poverty level for a family of four, and children living in institutions for the neglected and delinquent, or being supported in foster homes with public funds ^b
Concentration grants for LEAs	Same as for chapter 1 basic grants for LEAs. ^c
Capital expenses for private school children	Children enrolled in private schools who were served under chapter 1 from July 1, 1984, through June 30, 1985
Even Start	Grants are proportional to chapter 1 basic grants for LEAs, subject to certain exceptions.
Migratory children	Currently or formerly migratory children of migratory agricultural workers or fishermen, 3 to 21 years old
Handicapped children	Children with disabilities, birth to age 21 years old, in programs or schools operated or supported by a State agency for such children; under specific conditions, such children who transfer to LEAs are also counted.
Neglected and delinquent	Neglected and delinquent children in schools operated or supported by a State agency for such children
State administration	Grants are proportional to chapter 1 grants for LEAs and State agencies
State program improvement	Grants are proportional to chapter 1 grants for LEAs and State agencies.
State block grants	Population 5 to 17 years old
Title II--Critical Skills Improvement (Mathematics, Science, and Foreign Languages)	
Math and science State grants	Half of the allocation is in proportion to chapter 1 grants for LEAs; half in proportion to the population 5 to 17 years old.
Foreign languages assistance	Population 5 to 17 years old
Title IV--Special Programs	
Emergency immigrant education	Immigrant children in elementary and secondary school ^d
Title V--Drug-Free Schools and Communities Act of 1986	
State grants	Population 5 to 17 years old, with a portion of the funds distributed in proportion to chapter 1 grants for LEAs

Please see footnotes at end of table.

**TABLE 1. ESEA Programs and Populations Used for Allocations--
Continued**

^aEach ESEA program is described in U.S. Library of Congress. Congressional Research Service. *Elementary and Secondary Education Act of 1965: FY 1993 Guide to Programs*. CRS Report for Congress No. 92-625 EPW, by Paul M. Irwin. Washington, 1992.

^bAn LEA must have at least 10 children counted under the allocation formula to qualify for a chapter 1 basic grant; a similar type of minimum applies if allocations are made at the county level.

^cA county **qualifies** for a concentration grant only if it has at least 6,500 children counted under the chapter 1 basic grant formula or if it has a child poverty rate of at least 15 percent. In the **distribution of funds**, however, all formula children are counted if the 15 percent threshold is met, but only the number of children **above** 6,500 are counted if only that threshold is met.

^dOnly immigrant children in an LEA with at least 500 eligible children, or 3 percent of the total public and nonpublic enrollment, whichever is less, count toward the allocation of emergency immigrant education grants. Immigrant children are children who were not born in the United States and who have been attending school in the United States for at least 3 academic years.

NOTE: Table prepared by the Congressional Research Service

Cost Factors and Other Adjustments

Most ESEA allocation formulas include a series of adjustments or multiplicative factors following the initial allotment of funds in proportion to a population group. Typical adjustments include cost factors, minimum grants, and special provisions for Outlying Areas; these provisions are described in this section. Some programs require other types of adjustments, such as ratable reductions when the available funds are insufficient to meet all other requirements, reallocation procedures for instances when recipients return part or all of their grants, special funding requirements for Indian education or national programs. These special requirements generally are not central to the ESEA allocation formulas and are not within the scope of this report.

Cost Factors

Cost factors are typically used in allocation formulas to adjust for different types of economic considerations, including differences in the cost of providing services and in the need or ability of recipients to provide such services. Cost factors are particularly relevant to the chapter 1 programs of LEA basic grants and State agency grants. For each of these programs, the population group is multiplied by 40 percent of the State average per pupil expenditure. Thus, although it is called a "cost" factor, it is really an "expenditure" factor, reflecting State differences not only in the cost of providing elementary and secondary education, but also in the apparent willingness and ability to pay for such education. The chapter 1 programs limit the average per pupil expenditure within each State so that it cannot be less than 80 percent nor more than 120 percent of the national average per pupil expenditure. The cost factor for Puerto Rico requires a special calculation. For the chapter 1 concentration

grants for LEAs, the cost factor is the ratio of the current year LEA basic grant divided by the population counted for such a grant in the previous year. Whenever the population is identical from one year to the next, the concentration grant cost factor is the same as the factor used for LEA basic grants.

Other ESEA programs require other types of cost factors in their allocation formulas. Five programs depend **indirectly** on the chapter 1 cost factor described above because the grants are proportional to chapter 1, including the Even Start program, chapter 1 State administration, chapter 1 State program improvement, and parts of the math and science State grants and the drug-free schools State grants. The emergency immigrant education program has a cost factor of \$500. Three programs have no cost factor: capital expenses for private school children, State block grants, and foreign languages assistance; for these programs, funds are allocated in proportion to the eligible population, with adjustments for minimum provisions and other factors. Two additional programs have no cost factor for part of their allocations: the math and science State grants and the drug-free schools State grants. Table 2 summarizes the various cost factors for ESEA allocation formulas.

TABLE 2. ESEA Programs and Cost Factors

Program ^a	Cost factor
Title I--Basic Programs	
Chapter 1 basic grants for LEAs	Forty percent of the State average per pupil expenditure, with limits of 80 percent and 120 percent of the national average per pupil expenditure, with a special adjustment for Puerto Rico
Concentration grants for LEAs	Same as chapter 1 basic grants for LEAs, except when the population group differs from the preceding year
Capital expenses for private school children	No cost factor specified
Even Start	No cost factor specified ^b
Migratory children	Same as for chapter 1 basic grants for LEAs
Handicapped children	Same as for chapter 1 basic grants for LEAs
Neglected and delinquent	Same as for chapter 1 basic grants for LEAs
State administration	No cost factor specified ^b
State program improvement	No cost factor specified ^b
State block grants	No cost factor specified
Title II--Critical Skills Improvement (Mathematics, Science, and Foreign Languages)	
Math and science State grants	No cost factor specified ^b
Foreign languages assistance	No cost factor specified
Title IV--Special Programs	
Emergency immigrant education	\$500
Title V--Drug-Free Schools and Communities Act of 1986	
State grants	No cost factor specified ^b

^aEach ESEA program is described in U.S. Library of Congress. Congressional Research Service. *Elementary and Secondary Education Act of 1965. FY 1993 Guide to Programs.* CRS Report for Congress No. 92-625 EPW, by Paul M. Irwin. Washington, 1992.

^bThe cost factor for chapter 1 basic grants for LEAs applies indirectly whenever allotments are made proportional to the chapter 1 LEA grants.

NOTE: Table prepared by the Congressional Research Service.

Minimum Provisions

The ESEA allocation formulas typically specify minimum amounts to ensure funding at a level sufficient for every recipient to provide at least a minimum level of services. Of the 14 ESEA allocation formulas, 5 programs require a minimum State grant of 0.5 percent of the total allocation for at least part of their allotment.⁸ The chapter 1 program of basic and concentration grants for LEAs specifies, in conjunction with other requirements, a minimum State grant of 0.25 percent of the total allocation. Four of 14 programs specify an exact amount, such as \$250,000, for the minimum State grant. Five of the 14 programs do not specify any minimum allocation.

As shown in table 3, a few ESEA programs restrict the amounts that can be obtained from minimum grant provisions. For example, the Even Start program requires a minimum State grant of 0.5 percent of the total allocation to all States with the exceptions that, under specified conditions, (1) no grant can exceed 150 percent of the amount for the previous year, and (2) no grant may be greater than 150 percent of the national average per pupil payment multiplied by the number of children counted for allocations under the Even Start program. In a single instance, ESEA section 1406 limits the total chapter 1 payment to Puerto Rico to a maximum of 150 percent of the aggregate grant obtained from chapter 1 for the preceding year. One ESEA program, the title II math and science State grant program, specifies that a State grant cannot be less than the grant that the State received in 1988. In a related provision and as an example of other types of adjustments to allocations, section 1403(a) requires that whenever appropriations are insufficient to fund chapter 1 grants to State agencies and LEAs at the maximum level authorized, then (a) the grants to State agencies under part D must be fully paid before any other allotments,⁹ and (b) the allotments to each LEA must be ratably reduced, but not below the minimum amount of 85 percent of the grant to the LEA in the previous year. Table 3 summarizes the various minimum provisions for ESEA formula allocations.

⁸There are more provisions than programs indicated in this section because some programs have multiple provisions.

⁹In recent years, annual appropriation language has overridden this requirement.

TABLE 3. ESEA Programs and Minimum Provisions

Program ^a	Minimum provision
Title I--Basic Programs	
Chapter 1 basic grants for LEAs	The minimum State grant is 0.25 percent of the total allocation to States under this program, but only if the allotment for each State is at least as much as the State received in 1988. However, under specified conditions, no minimum can exceed 150 percent of the amount for the previous year, and no minimum may be greater than 150 percent of the national average per pupil payment multiplied by the number of children counted for allocations under this program. ^b
Concentration grants for LEAs	The minimum State grant is 0.25 percent of the total allocation to States under this program, or \$250,000, whichever is greater. ^{b, c}
Capital expenses for private school children	No minimum specified
Even Start	The minimum State grant is 0.5 percent of the total allocation to States under this program, or \$250,000, whichever is greater. However, under specified conditions, no minimum can exceed 150 percent of the amount for the previous year, and no minimum may be greater than 150 percent of the national average per pupil payment multiplied by the number of children counted for allocations under this program.
Migratory children	No minimum specified ^d
Handicapped children	No minimum specified ^d
Neglected and delinquent	No minimum specified ^d
State administration	The minimum State grant is 1 percent of the amount allocated to the State under part A (LEA grants) and part D (State agency grants) of chapter 1, or \$325,000, whichever is greater. ^e
State program improvement	\$180,000 per State
State block grants	The minimum State grant is 0.5 percent of the total allocation to States under this program.
Title II--Critical Skills Improvement (Mathematics, Science, and Foreign Languages)	
Math and science State grants	The minimum State grant is 0.5 percent of the total allocation to States under this program. In addition, no State grant shall receive less than its 1988 allocation under title II of the Education for Economic Security Act, P.L. 98-377.
Foreign languages assistance	The minimum State grant is 0.5 percent of the total allocation to States under this program

**TABLE 3. ESEA Programs and Minimum Provisions--
Continued**

Program ^a	Minimum provision
Title IV--Special Programs	
Emergency immigrant education	No minimum specified
Title V--Drug-Free Schools and Communities Act of 1986	
State grants	Except for \$14.7 million, which is distributed without a minimum in proportion to population 5 to 17 years old, the minimum State grant is 0.5 percent of the remaining allocation to States under this program.

^aEach ESEA program is described in U.S. Library of Congress. Congressional Research Service. *Elementary and Secondary Education Act of 1965: FY 1993 Guide to Programs*. CRS Report for Congress No. 92-625 EPW, by Paul M. Irwin. Washington, 1992.

^bWhen appropriations are insufficient to fully fund all LEA grants, allotments to each LEA must be ratably reduced, but not below a minimum of 85 percent of the prior year's award.

^cAppropriation language in FY 1992 increased the specific amount from \$250,000 to \$340,000.

^dWhenever appropriations are insufficient to fully fund all chapter 1 grants to local and State educational agencies, then allocations for this program must be paid in full, prior to any payments to LEAs; appropriation language has overridden this requirement in recent years.

^eAppropriation language in FY 1992 increased the specific amount from \$325,000 to \$375,000.

NOTE: Table prepared by the Congressional Research Service.

Outlying Areas

Most ESEA programs include the Outlying Areas as grant recipients.¹⁰ However, because of the Areas relatively small target populations, special allocation provisions are generally specified. Many programs reserve 1 percent of the total funds for distribution among the Areas according to their respective needs, as determined by the Secretary of Education. A few programs specify the exact or the minimum amount, such as \$30,000 for each Area. In several instances, the Areas are treated as if they were States; in the chapter 1 concentration grants for LEAs program, the Areas do not qualify for any funds. Table 4 summarizes the ESEA allocation provisions for Outlying Areas.

¹⁰The Outlying Areas generally include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and Palau; as indicated earlier, the District of Columbia and Puerto Rico are usually treated as if they were States in the ESEA allocation process. In addition, section 802 of the National Literacy Act of 1991, P.L. 102-73, includes the Federated States of Micronesia and the Republic of the Marshall Islands as eligible for competitive grants under the chapter 1 basic grants for LEAs program.

TABLE 4. ESEA Programs and Allocations for Outlying Areas

Program^a	Allocation for outlying areas
Title I--Basic Programs	
Chapter 1 basic grants for LEAs	One percent of the amount available for allocation is reserved for the Outlying Areas, and for the Secretary of the Interior for a program for Indian children. The amount for the Outlying Areas must be distributed among the Areas according to their respective needs, as determined by the Secretary of Education.
Concentration grants for LEAs	Outlying Areas are not eligible for this program.
Capital expenses for private school children	No special provision; Outlying Areas appear to qualify as if they were States, but do not receive grants under this program.
Even Start	Five percent of the amount available for allocation is reserved for the Outlying Areas, programs for migrant children, Indian tribes, and tribal organizations, according to their relative need, as determined by the Secretary of Education.
Migratory children	Not more than 1 percent of the amount available for allocation is reserved for the Outlying Areas, for distribution by the Secretary of Education according to their respective needs.
Handicapped children	Same as for grants for migratory children
Neglected and delinquent	Same as for grants for migratory children
State administration	The minimum grant to each Outlying Area is 1 percent of the amount allocated to that Area under part A (LEA grants) and part D (State agency grants) of chapter 1, or \$50,000, whichever is greater.
State program improvement	The minimum grant to each Outlying Area is 0.5 percent of the amount allocated to that Area under part A (LEA grants) and part D (State agency grants) of chapter 1, or \$30,000.
State block grants	Not more than 1 percent of the amount available for allocation is reserved for the Outlying Areas, for distribution by the Secretary of Education according to their respective needs.
Title II--Critical Skills Improvement (Mathematics, Science, and Foreign Languages)	
Math and science State grants	Not more than 0.5 percent of the amount available for allocation is reserved for the Outlying Areas, for distribution by the Secretary of Education according to their respective needs.

**TABLE 4. ESEA Programs and Allocations for Outlying Areas
--Continued**

Program^a	Allocation for outlying areas
Foreign languages assistance	One percent of the amount available for allocation is reserved for the Outlying Areas, for distribution by the Secretary of Education according to their respective needs.
Title IV--Special Programs	
Emergency immigrant education	No special provision; Outlying Areas qualify as if they were States for this program.
Title V--Drug-Free Schools and Communities Act of 1986	
State grants	One percent of the amount available for allocation is reserved for the Outlying Areas, for distribution by the Secretary of Education according to their respective needs.

^aEach ESEA program is described in U.S. Library of Congress. Congressional Research Service. *Elementary and Secondary Education Act of 1965: FY 1993 Guide to Programs*. CRS Report for Congress No. 92-625 EPW, by Paul M. Irwin. Washington, 1992.

NOTE: Table prepared by the Congressional Research Service.

DISCRETIONARY ALLOCATIONS

Most ESEA programs specify the distribution of funds by discretionary, competitive awards, usually under the administration of the Secretary of Education. This allocation method appears to be selected for pilot or demonstration programs, technical assistance centers, national research and development activities, emergency grants, and other activities unlikely to need support in every State or school district. Of the 39 ESEA programs, 19 use this method of awards. Eligible recipients often include SEAs and LEAs, and sometimes include nonprofit organizations and institutions of higher education.

In the discretionary awards category, bilingual education was the ESEA program with the greatest appropriation in FY 1993, with \$150 million in funds awarded to LEAs, institutions of higher education, and private nonprofit organizations. More typically, the annual appropriation for ESEA discretionary grant programs under \$50 million, and often considerably less. In some instances, such as the Even Start program, discretionary awards are authorized for lower levels of appropriations (under \$50 million for the Even Start program) and formula allocations to States whenever appropriations exceed the specified threshold. The intent is to preclude grants that might be too small for the recipient to operate a program of sufficient size and effectiveness. Table 5 summarizes ESEA programs that require discretionary allocations.

TABLE 5. ESEA Programs With Discretionary Allocations^a

Title I--Basic Programs

Even Start family literacy^b
 Evaluation and technical assistance
 Rural technical assistance centers
 National diffusion network
 Law-related education
 Blue ribbon schools

Title II--Critical Skills Improvement

National programs
 Regional consortia

Title III--Magnet Schools Assistance

Magnet schools assistance

Title IV--Special Programs

Women's educational equity
 Javits gifted and talented students education
 Territorial teacher training
 Secretary's fund for innovation in education

Title V--Drug-Free Schools and Communities Act of 1986

School personnel training
 National programs
 Emergency grants

Title VI--Projects and Programs Designed to Address School

Dropout prevention demonstrations

Title VII--Bilingual Education Act

Bilingual programs
 Support services
 Training grants

^aEach ESEA program is described in U.S. Library of Congress. Congressional Research Service. *Elementary and Secondary Education Act of 1965: FY 1993 Guide to Programs*. CRS Report for Congress No. 92-625 EPW, by Paul M. Irwin. Washington, 1992.

^bThe Even Start program requires discretionary allocations **only** when its appropriation is less than \$50 million; an allocation formula is required otherwise. Since the FY 1993 appropriation for Even Start is \$89 million, it is **not** counted as 1 of the 19 ESEA programs requiring discretionary grants.

NOTE: Table prepared by the Congressional Research Service.

DESIGNATED RECIPIENTS

A few ESEA programs specify by statute the recipient that is to receive the funds available for a given activity. This allocation method is sometimes favored when the Congress wants to support a specific study or evaluation, or a particular private organization or activity. Six out of 39 ESEA programs use this method. Examples include the National Commission on Migratory Education, the inexpensive book distribution program (for an award to Reading Is Fundamental, Inc.), the arts in education program (two recipients are specified), the Allen J. Ellender Fellowship program (for an award to the Close-Up Foundation), and general assistance to the Virgin Islands.

TABLE 6. ESEA Programs With Designated Recipients*

Title I--Basic Programs

National Commission on Migrant Education
 Inexpensive book distribution
 Arts in Education

Title IV--Special Programs

Ellender fellowships
 General assistance to the Virgin Islands
 Civic education

*Each ESEA program is described in U.S. Library of Congress. Congressional Research Service. *Elementary and Secondary Education Act of 1965: FY 1993 Guide to Programs*. CRS Report for Congress No. 92-625 EPW, by Paul M. Irwin. Washington, 1992.

NOTE: Table prepared by the Congressional Research Service
