

**MEMORANDUM**

November 17, 2015

**Subject:** ESEA Title II-A State Grants Under Pre-Conference Agreement

**From:** Jeff Kuenzi  
Specialist in Education Policy  
7-8645  
jkuenzi@crs.loc.gov

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**This memorandum was prepared to enable distribution to more than one congressional office.**

This memorandum provides analysis of proposed changes to Title II of the Elementary and Secondary Education Act (ESEA). Part A of Title II authorizes the Secretary of Education to award federal funds for preparing, training, and recruiting K-12 teachers and principals. After a series of reservations for specified purposes, Title II-A funds are awarded to the 50 states, the District of Columbia, and Puerto Rico according to a base guarantee and funding formula.<sup>1</sup> The base guarantee of funding is equal to the amount each state received for FY2001 under three antecedent programs.<sup>2</sup> Any excess funding is then allocated by formula among the states based on each state's share of the total school-age population (age 5 to 17) and the school-age population living in poverty. These populations account for 35% and 65% of the formula, respectively; i.e., 35% of the excess is allocated according to the school-age population and 65% is allocated according to the school-age population living in poverty. Current law further provides that each state is assured no less than 0.5% of the excess.

This memorandum analyzes the impact of proposed changes under a pre-conference agreement; details of which were provided to CRS by the HELP Committee on November 16, 2015. Under the agreement, both the base guarantee and the formula factors would be amended. Specifically, the proposal would gradually reduce the base guarantee over seven years and eliminate the guarantee beginning in FY2023. The proposal would also replace the current formula weights by gradually increasing the poverty factor and gradually decreasing the population factor from the current 65/35 ratio to 80/20 beginning with FY2020.

### **Title II-A Pre-Conference Agreement**

The pre-conference agreement would change both the Title II-A base guarantee and formula factors. Specifically, the proposed agreement would reduce each state's base guarantee 14.29 percentage-points for each year between FY2017 and FY2022 and eliminate the base guarantee beginning in FY2023.

**Table 1** presents the proposed base guarantee.

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<sup>1</sup> More information on ESEA Title II-A can be found in CRS Report R41267, *Elementary and Secondary School Teachers: Policy Context, Federal Programs, and ESEA Reauthorization Issues*, by Jeffrey J. Kuenzi.

<sup>2</sup> The programs, Eisenhower Professional Development, Class Size Reduction, and Staff Assistance, were repealed by passage of the No Child Left Behind Act of 2001 (P.L. 107-110).

**Table I. Base Guarantee for Title II-A State Grants under Pre-Conference Agreement**

Fiscal Year	Proposal
2017	85.71% of FY2001 Award
2018	71.42% of FY2001 Award
2019	57.13% of FY2001 Award
2020	42.84% of FY2001 Award
2021	28.55% of FY2001 Award
2022	14.26% of FY2001 Award
2023 and thereafter	0% of FY2001 Award

The pre-conference agreement proposes to change the formula factors in current law. The proposal would gradually reduce the share of funds allocated according to each state's share of the school-age population from the current 35% to 30% in FY2018, 25% in FY2019, and 20% in FY2020 and subsequent fiscal years. Under the agreement, the share of funds allocated according to each state's share of the school-age children in poverty would gradually increase from the current 65% to 70% in FY2018, 75% in FY2019, and 80% in FY2020 and subsequent fiscal years.

**Table 2** presents estimated Title II-A state grant allocations. FY2016 awards are estimated using provisions in current law. FY2017 through FY2023 awards are estimated using the declining base guarantee and amended formula weights proposed in the pre-conference agreement. The total Title II-A appropriation for FY2016 is the current level of \$2.35 billion. For FY2017 and subsequent years, the level is set at \$2.296 billion. Differences between these appropriation levels are due to the removal of funds for national activities. Under current law, national activities are funded at 2.8% of the Title II-A appropriation. This amount is reduced to 0.05% under the pre-conference agreement as most activities currently funded through this set-aside are authorized elsewhere in the proposed legislation. Note that these estimates are calculated based on current population and poverty counts and do not account for likely future change in these data.

**Table 2. Estimated ESEA Title II-A State Grants Under Current Law and Pre-Conference Agreement**  
(in thousands)

State or Other Area	FY2016 Current Law	Pre-Conference Agreement						
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Alabama	\$36,285	\$36,426	\$36,664	\$36,988	\$37,398	\$37,655	\$37,912	\$38,169
Alaska	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
Arizona	35,496	38,035	40,681	43,427	46,271	48,940	51,608	54,271
Arkansas	22,040	22,320	22,671	23,084	23,559	23,924	24,288	24,652
California	254,340	257,796	261,381	265,149	269,099	272,724	276,350	279,968
Colorado	25,437	26,147	26,676	27,071	27,334	27,833	28,332	28,829
Connecticut	21,574	21,074	20,419	19,650	18,766	18,086	17,406	16,727
Delaware	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308

State or Other Area	FY2016 Current Law	Pre-Conference Agreement						
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
District of Columbia	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
Florida	102,926	106,400	110,000	113,734	117,602	121,232	124,861	128,482
Georgia	59,838	62,994	66,314	69,788	73,414	76,769	80,123	83,471
Hawaii	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
Idaho	10,853	10,960	11,031	11,075	11,106	11,173	11,241	11,308
Illinois	93,723	92,446	91,023	89,511	87,909	86,466	85,023	83,583
Indiana	38,852	39,719	40,512	41,259	41,961	42,743	43,526	44,307
Iowa	17,873	17,785	17,581	17,290	16,913	16,689	16,465	16,242
Kansas	18,241	18,203	18,077	17,885	17,629	17,488	17,347	17,206
Kentucky	35,840	35,287	34,775	34,304	33,876	33,373	32,870	32,368
Louisiana	52,095	50,103	48,237	46,483	44,838	42,998	41,157	39,321
Maine	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
Maryland	33,206	32,597	31,698	30,581	29,244	28,297	27,349	26,403
Massachusetts	41,946	40,775	39,389	37,845	36,143	34,722	33,301	31,883
Michigan	91,173	87,804	84,422	81,050	77,688	74,308	70,928	67,556
Minnesota	31,236	30,802	30,109	29,220	28,137	27,399	26,662	25,926
Mississippi	34,059	33,344	32,805	32,412	32,165	31,658	31,152	30,647
Missouri	39,456	39,526	39,545	39,537	39,500	39,513	39,526	39,539
Montana	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
Nebraska	11,110	11,142	11,170	11,197	11,225	11,252	11,280	11,308
Nevada	11,417	12,559	13,684	14,802	15,912	17,036	18,159	19,280
New Hampshire	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
New Jersey	52,363	51,875	51,081	50,064	48,823	47,980	47,137	46,295
New Mexico	18,096	18,113	18,210	18,376	18,610	18,723	18,835	18,947
New York	188,307	179,526	170,781	162,102	153,488	144,758	136,028	127,316
North Carolina	49,793	53,016	56,318	59,703	63,172	66,493	69,813	73,127
North Dakota	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
Ohio	85,802	84,639	83,411	82,155	80,871	79,636	78,402	77,170
Oklahoma	26,237	26,479	26,712	26,945	27,179	27,411	27,644	27,876
Oregon	22,084	22,318	22,498	22,641	22,748	22,920	23,091	23,262
Pennsylvania	93,503	90,300	86,825	83,159	79,300	75,783	72,265	68,755
Puerto Rico	70,448	67,687	65,610	64,085	63,109	61,156	59,203	57,253
Rhode Island	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
South Carolina	28,553	29,575	30,673	31,841	33,078	34,192	35,305	36,416
South Dakota	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308

State or Other Area	FY2016 Current Law	Pre-Conference Agreement						
		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Tennessee	38,844	40,178	41,590	43,078	44,642	46,072	47,501	48,927
Texas	186,990	192,226	197,744	203,547	209,635	215,217	220,798	226,368
Utah	14,923	15,647	16,197	16,617	16,906	17,427	17,948	18,468
Vermont	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
Virginia	40,760	41,096	41,111	40,888	40,425	40,387	40,349	40,310
Washington	37,521	38,036	38,386	38,619	38,735	39,059	39,383	39,706
West Virginia	19,680	18,588	17,512	16,451	15,406	14,333	13,261	12,190
Wisconsin	37,733	37,105	36,320	35,422	34,413	33,603	32,792	31,984
Wyoming	10,833	10,905	10,972	11,039	11,106	11,173	11,241	11,308
Amount Available for State Allocation	\$2,260,830	\$2,261,830	\$2,261,830	\$2,261,830	\$2,261,830	\$2,261,830	\$2,261,830	\$2,261,830
Set-asides								
National Activities	66,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
O.A. & BIE	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Title II-A FY15 Appropriation	\$2,349,830	\$2,295,830	\$2,295,830	\$2,295,830	\$2,295,830	\$2,295,830	\$2,295,830	\$2,295,830

**Source:** Table prepared by CRS November 16, 2015, presenting CRS estimates based on data provided by the U.S. Department of Education, Budget Service.

**Notes:** Estimated grants may not sum to totals due to rounding. These are estimated grants only. In addition to other limitations, data which will be used to calculate final grants are not yet available. These estimates are provided solely to assist in comparisons of the relative impact of alternative formulas and funding levels in the legislative process. They are not intended to predict specific amounts states will receive. Both current law and the proposal include a 0.5% small state minimum; this amount is calculated on the excess remaining after reservation of funds for the base guarantee, evaluation, Bureau of Indian Education, and the Outlying Areas. These estimates are calculated on current population and poverty counts and do not account for likely future change in these data.