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President Bush, Congress Undercut Efforts To Increase Funding for High-Poverty Schools

States Forced to Play “Shell Game” with No Child Left Behind Funds For School Improvement, Report Charges

WASHINGTON – February 3, 2006 – Many of the nation’s school districts that serve high concentrations of low-income students will receive fewer funds than promised this year, thanks to actions by President Bush and the Congress on appropriations for the No Child Left Behind Act (NCLB) for school year 2005-06. According to a report from the Washington, D.C.-based Center on Education Policy, these actions also often mean that state departments of education have limited resources to help schools that are chronically underperforming.

Under Title I (Part A), the largest federal program in K-12 education, school districts received more than \$12 billion in the 2005-06 school year. Each year, the federal government allocates funds to school districts based on funding formulas intended to direct more dollars to districts with large concentrations of students from low-income families. But because President Bush and the Congress have not provided sufficient funding for NCLB, some districts with high concentrations of low-income students are not getting additional dollars.

No Child Left Behind requires states to reserve 4 percent of their districts’ Title I funds to help schools identified for improvement under the Act, but the law also includes a “hold harmless” provision preventing any district from losing funds as a result of the reservation. Since NCLB saw only a modest funding boost in 2005-06, some states are now forced to meet the reservation by cutting or eliminating Title I increases for districts with growing numbers of low-income students, according to the Center’s report: *A Shell Game: Federal Funds to Improve Schools*.

“The No Child Left Behind Act’s worthy goal to concentrate more federal education funding in the nation’s poorest districts is now being undercut by ill-conceived rules and stagnant appropriations,” said Jack Jennings, President and CEO of the Center on Education Policy (CEP). “Congress should see to it that states are in position to help their lowest-performing schools without reducing or eliminating Title I funding increases for school districts.”

In analyzing data on Title I allocations released by the U.S. Department of Education for school year 2005-06, the report estimates that at least 10 states did not meet the 4 percent reservation requirement, while five other states met the reservation only by using almost all of the Title I increases slated to go to school districts in the state.

The situation is expected to worsen considerably in school year 2006-07, with Title I funding decreasing for the first time in 13 years – by about \$26 million – making it possible that most states will not have enough funding to meet the mandatory reservation, according to the report.

States Under-Funded to Help Schools In Need

Among the states that are unlikely to have enough funds to reserve the full 4 percent for school improvement are New Mexico, with only about \$130,000 available, and Oregon, with about \$169,000. To highlight the scope of the problem, CEP calculated that if the amount available for schools in need of improvement was shared equally among Oregon's estimated 44 schools identified for improvement, each school would only receive about \$3,834.

In addition, while some states may have enough Title I funds to cover the reserve requirement, it may only be because the burden falls unequally on school districts serving high concentrations of low-income students. For example, Pennsylvania has sufficient funds to meet the reservation because its school districts were slated to receive increases in Title I funding, but 60 percent of these increases were scheduled to go the Philadelphia school district, meaning a large proportion of the 4 percent reserved for school improvement is shouldered by one district. Similar situations are playing out in some of the nation's neediest districts, including Boston, Columbus, Long Beach, Calif., Los Angeles, Memphis, and New York City.

At the state level, the lack of adequate funding for Title I in general and for school improvement may prevent states from creating statewide systems of support to provide technical assistance to local districts, including the establishment of school support teams, as required by law.

To solve the problem, the Center's report recommends that Congress should provide appropriations for school improvement under a separate section of the Title I law, while repealing the reservation requirement to ensure that "all states, even those with little or no increase in Title I funds, would have funds for school improvement activities."

"We cannot expect improvement without additional resources," said Diane Stark Rentner, Director of CEP's National Programs. "Congress should step in to restore the promise to – and to build the capacity of – the idea of school improvement under the law."

A Shell Game: Federal Funds to Improve Schools can be found at the Center's Web site at: <http://www.cep-dc.org/titleI/TitleISchoolImpFundJan2006.pdf>. More information on Title I allocations are available in additional CEP reports, including:

- *Title I Funds: Who's Gaining and Who's Losing School Year 2005-2006:*
http://www.cep-dc.org/pubs/TitleI_Funds_6July2005/Title_I_Funds_6July2005.pdf.
- *Title I Funds: Who's Gaining and Who's Losing and Why:*
http://www.cep-dc.org/pubs/Title1_Funds_15June2004/Title_1_Funds_15June2004.pdf

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