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Title I Funds – Who’s Gaining and Who’s Losing School Year 2005-06 Update

WASHINGTON – July 6, 2005 – The Center on Education Policy (CEP) has analyzed the fiscal year 2005 allocations released by the U.S. Department of Education for the federal Title I program. These funds are available to states and school districts in school year 2005-06 to educate disadvantaged children. The report, *Title I Funds: Who’s Gaining and Who’s Losing School Year 2005-06 Update* summarizes the Center’s findings about gains and losses for states and school districts, including:

- For the coming school year, about two-thirds of the school districts that participate in the federal Title I program, or some 8,800 districts, will receive fewer funds than they did last year to serve disadvantaged children. About 4,400 districts will gain in Title I funding.
- The number of districts losing Title I funding – which educate about one-third of U.S. students – has grown significantly since 2004, when CEP reported that more than half of all U.S. districts would receive fewer Title I dollars.
- Nine states will see their federal Title I funds reduced, while 41 states, the District of Columbia, and Puerto Rico will see gains.
- These funding reductions are coming at a time when the federal government is demanding, through the No Child Left Behind Act, that school districts and states raise achievement, improve teacher quality, and accomplish other goals.
- The growth of the number of children in poverty (6 percent) doubled the percentage increase in Title I grant funds for school districts for fiscal year 2005 (3 percent, or \$393 million). As a result, fewer Title I dollars are available for each poor child.

The report can be found at the Center’s Web site at:

http://www.cep-dc.org/pubs/TitleI_Funds_6July2005/Title_I_Funds_6July2005.pdf

The changes in funding levels among school districts and states are mostly due to differences in the numbers of poor children in various districts as determined by annual estimates from the U.S. Census Bureau, and are also related to the allocation formulas used to distribute new funds to districts with the highest concentrations of low-income

children. The end result is that more federal dollars are being directed to school districts with large concentrations of students from low-income families.

“The No Child Left Behind Act has two worthy goals: raising student achievement in all school districts and concentrating more federal funds in the minority of school districts with many poor students. When the President and Congress under-fund education they undercut support for the No Child Left Behind Act,” said Jack Jennings, President and CEO of the Center on Education Policy.

This new analysis of Title I allocations updates a similar report the Center published in June 2004, entitled *Title I Funds – Who’s Gaining and Who’s Losing & Why*. The 2004 report contains detailed information on the formulas used to distribute Title I funds, which may be helpful in understanding this updated report. The 2004 report can be downloaded from the Center’s Web site at the following link:

http://www.cep-dc.org/pubs/Title1_Funds_15June2004/Title_1_Funds_15June2004.pdf.

Based in Washington, D.C. and founded in 1995, the Center on Education Policy is a national, independent advocate for public education and for more effective public schools. The Center works to help Americans better understand the role of public education in a democracy and the need to improve the academic quality of public schools. The Center does not represent any special interests. Instead the Center helps citizens make sense of the conflicting opinions and perceptions about public education and create conditions that will lead to better public schools.

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