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Special Report

'Formula Fairness Campaign' Would Shift More Title I Funds to Highest-Poverty-Rate Districts

In school year 2008-09, the Fairfax County, Va., school district received \$1,935 in Title I funds per eligible child while the Lee County, Va., school district received only \$1,488 — a \$447 per-child gap. This was the case even though Fairfax is one of the wealthiest counties in the United States. Just 5.5 percent of its students were eligible to draw Title I funds, compared to nearly a third of the kids in impoverished Lee County.

The reason for the gap? Fairfax, a large suburban county just outside Washington, D.C, had 10,034 children who were low-income or otherwise "formula-eligible" under Title I, while Lee County, a sparsely populated rural county in southwest Virginia, had only 1,251 eligible children. And the Title I formula, as currently constituted, gives a per-child bonus to eligible districts with high numbers of low-income children, regardless of the districts' poverty percentage.

See *Formula Fairness*, p. 8

In a First, NCLB Reauthorization Bill Moves Out of Senate ED Committee

Proposal angers civil rights groups, but pleases teacher's union

On Oct. 20, a bill to reauthorize No Child Left Behind (NCLB) made it further than any since the law's passage a decade ago.

With a 15-7 vote, the Senate Health, Education, Labor and Pensions Committee breathed fresh life into the long-stalled proceedings. But the law's overhaul still faces formidable obstacles.

"The odds have certainly increased that reauthorization can happen prior to November 2012," said Andrew Rotherham, co-founder and partner with Bellwether Education and one-time education adviser to President

Bill Clinton. "But a number of real obstacles remain — disagreements on substance, the reticence of Republicans to hand the president a political victory, other more pressing legislative issues, an abbreviated election year calendar and the general dysfunction plaguing Washington."

The reaction to the vote reveals the strange politics of K-12 education. Both committee Republicans and the National Education Association (NEA), the nation's largest teacher's union, cheered when the bill dropped language contained in an earlier draft that would have called for states to

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build teacher evaluation systems that factored in student achievement. But the bill that made it out of committee angered another unlikely coalition, civil rights groups and business leaders who view it as a substantial retreat on NCLB's tough stance on accountability.

Retreat on Accountability

The bill retains NCLB's regimen of testing students annually in reading and math in grades 3-8 and once in high school, and parsing achievement data according to subgroup.

But the bill cut any requirement that states be held accountable for meeting specific student achievement goals, scrapping adequate yearly progress, or AYP, the blunt accountability instrument of NCLB.

Taking a cue from the administration's revamped School Improvement Grant program, the bill only would require federally sanctioned interventions for the bottom 5 percent of schools and those with chronic achievement gaps.

Those changes drew the ire of four advocacy groups: the Center for American Progress Action Fund, the Leadership Conference on Civil Rights, the National Center for Learning Disabilities and the National Council of La Raza. In a letter to Sen. Tom Harkin, D-Iowa, the committee's chairman, and Sen. Michael Enzi, R-Wyo., the ranking Republican, the groups said the change would hurt traditionally disadvantaged groups, including minority students and those with disabilities.

"Congress, parents, taxpayers would have no meaningful mechanism by which to hold schools, districts, or states accountable for improving outcomes at the pace our economy demands," the letter said. "It is not the federal government's role to dictate how states, districts or educators get their students to higher levels of success. But the federal government must — in exchange for scarce financial resources — be firm, ambitious and unequivocal in its demands for higher achievement, high school graduation, and gap closing."

Duncan Criticizes

In an Oct. 17 blog post, U.S. Department of Education (ED) Secretary Arne Duncan said it was important "to maintain a strong commitment to the accountability of all students, and I am concerned that the Senate bill does not go far enough."

Responding to reporters after a Nov. 8 hearing, Harkin said: "The administration can say those things. They never had to negotiate with anyone to get those waivers," a reference to Duncan's plan to grant states flexibility from NCLB in exchange for advancing some of the administration's reform priorities.

During a revelatory exchange in the middle of the two-day markup for the bill, Sen. Michael Bennet, D-Colo., offered — and then withdrew — an amendment that would have linked state performance goals to targets in the ED waiver plan. Those would have included cutting achievement gaps for some student subgroups in half and bringing all students to proficiency by 2020.

While supporting the "basic idea behind the amendment," Harkin explained that he and Enzi couldn't reach agreement on that score while crafting the bill. Enzi went further, calling the measure appropriate for Denver, where Bennet was schools chief, but not the federal government.

"We don't want to create a national school board," he said.

Other key aspects of the bill include:

- Consolidating 82 ED programs into about 40 broad funding streams.
- Calling on states to build college- and career-ready standards, but not require them to join the Common Core State Standards Initiative — a coalition currently comprising 44 states.
- Language reauthorizing Educational Technology State Grants, which fund professional development for teachers who use technology.

Alexander Amendment

An amendment proposed by Sen. Lamar Alexander, R-Tenn., would allow states to present their own ideas to the ED secretary for turning around schools performing in the bottom 5 percent of achievement. Once again,

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How Poverty Concentration Is Defined In the Title I Allocation Formulas

Background, Effects, and Rationale

By Wayne C. Riddle

As Congress works on the reauthorization of the Elementary and Secondary Education Act (ESEA), there is substantial interest in proposals to revise some aspects of the four current Title I, Part A allocation formulas: Basic, Concentration, Targeted, and Education Finance Incentive Grants (EFIG). Together, these formulas determine the amount each local educational agency (LEA) receives from the annual appropriation.

As discussed in the article beginning on p. 1, some groups have focused on the way in which “poverty concentration” is effectively defined in all of the formulas except Basic Grants, with a view to shifting more funds to the school districts with the highest percentages of poverty. To shed more light on this complex topic, this article reviews the history, effects and rationale of using poverty concentration as a key element of the Title I allocation system.

Background and History

Under the original, Basic Grant formula of Title I adopted in 1965, funds are allocated in proportion to each LEA’s number of school-age children in poor families and other “formula-eligible” children, taking into account such other factors as state per-pupil expenditures, state minimum grant provisions, and hold-harmless effects. Beginning with the Elementary and Secondary Education Amendments of 1970, the authorizing statute also has included a Concentration Grant formula, intended to provide supplementary grants to LEAs with relatively high percentages or numbers of poor and other formula children.

Funds were infrequently appropriated for Concentration Grants before adoption of the

Hawkins-Stafford Amendments of 1988, which provided that 10 percent of all Title I LEA grants should be allocated under a modified Concentration Grant formula, and this funding threshold was met or exceeded each year until enactment of the No Child Left Behind Act of 2001.

An LEA qualifies for a Concentration Grant if it meets *either* a number threshold (6,500) *or* a percentage threshold (15 percent low-income). So, while purportedly targeted on relatively high poverty LEAs, the program provides grants to



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LEAs in which a very large majority of the nation’s poor children reside. Further, among LEAs that meet either of these thresholds, the grant amount per formula child is the same for LEAs in the same state (where the expenditure factor and state minimum are held constant), regardless of how high the poverty concentration may be in the LEA. These flaws — an “all or nothing” eligibility threshold and failure to account for very high levels of poverty — led to extensive efforts in the 1993-94 ESEA reauthorization to improve or replace the Concentration Grant formula.

As a result, two new Title I formulas, Targeted and EFIG Grants, were first authorized in the Improving America’s Schools Act in 1994, although they were not actually funded until after the No Child Left Behind Act (NCLB) was enacted in 2001 when substantial modifications were made to the original EFIG formula. Since 2001, all increases in Title I funding have been devoted to these formulas — in recent years on a 50-50 basis — so they have increasing influence on the overall allocation of Title I grants; 45 percent of all Title I LEA grants for FY 2011 were allocated as Targeted or EFIG Grants. At all stages in the allocation of Targeted Grants, and in the allocation of state total EFIG Grants to LEAs, the grant amount *per child* counted in the formulas varies with the level of poverty concentration in the LEA. This poverty concentration is defined in terms of both poverty rates and numbers of children from poor families, with the larger of the two weighted-child counts — the one based on poverty rates and the one based on numbers — used to determine the allocation amount for each LEA.

Effects of Number Weighting

Thus, the Targeted and EFIG Grant formulas provide greater amounts to LEAs per formula child as *either* the poverty rate *or* the aggregate number of school-age children from poor families increases. At a superficial level, the formulas would appear to give greater weight to poverty rates than numbers. There is a five-stage scale of sequential application of weights to the formula-child counts, with the percentage-based weights rising faster and topping out at a higher level (maximum weight of 4.0 for Targeted Grants) than the numbers scale (maximum weight of 3.0). Nevertheless, while these formulas do favor *both* LEAs with large numbers of formula children and LEAs with high percentages of such children, they especially favor two types of large LEAs — those that are among the very largest central city LEAs in the nation (e.g., New York, Chicago, Los Angeles) and large urban or suburban LEAs with high numbers of formula children but relatively low poverty rates.

These allocation patterns can be illustrated best by comparing the level of Targeted plus EFIG Grants *per formula child* for different types of LEAs in the same state (so that we can eliminate the effects of statewide differences in expenditure factors and state minimum grant provisions). First, we compare the FY 2011 Targeted plus EFIG Grants per formula child for some of the nation’s largest central city LEAs with those for smaller LEAs having poverty rates that are among the highest in those states (see Fig. 1, below)

Fig. 1

Large Central City LEAs vs. Small, High-Poverty LEAs in Same State

LEA	State	Number of Poor and Other Formula Children, FY 2011	Poverty Rate, FY 2011	Targeted + EFIG Grant Per Formula Child, FY 2011
Los Angeles	CA	209,032	27.0%	\$1,057
Winton Elementary	CA	810	41.9%	\$538
Chicago	IL	140,501	29.1%	\$1,195
Ford Heights	IL	456	57.2%	\$1,039
Philadelphia	PA	79,541	31.6%	\$1,448
Duquesne City	PA	563	46.6%	\$864

The comparisons in Fig. 1 illustrate a general pattern in which the Targeted and EFIG Grant formulas favor very large cities over smaller LEAs having poverty rates as much as almost twice as high.

Next we compare county-wide LEAs with relatively large numbers of formula children but relatively low poverty rates with smaller LEAs in the same states having much higher poverty rates (see Fig. 2, below)

Fig. 2

Large County-Wide LEAs vs. Small, High-Poverty LEAs

LEA	State	Number of Poor and Other Formula Children, FY 2011	Poverty Rate, FY 2011	Targeted + EFIG Grant Per Formula Child, FY 2011
Broward County	FL	45,127	15.4%	\$688
Gadsden County	FL	2,718	35.6%	\$494
Montgomery County	MD	12,167	7.3%	\$872
Somerset County	MD	927	27.6%	\$625
Fairfax County	VA	11,126	6.1%	\$818
Martinsville City	VA	774	33.2%	\$671

See *Poverty Concentration*, p. 5

Poverty Concentration (continued from p. 4)

As seen in this figure, the Targeted and EFIG Grant formulas provide higher amounts per formula child to relatively large LEAs, whatever their poverty rate (as long as the LEA meets the minimum eligibility percentage of a 5 percent poverty rate), than to smaller LEAs with poverty rates that are sometimes many times as high.

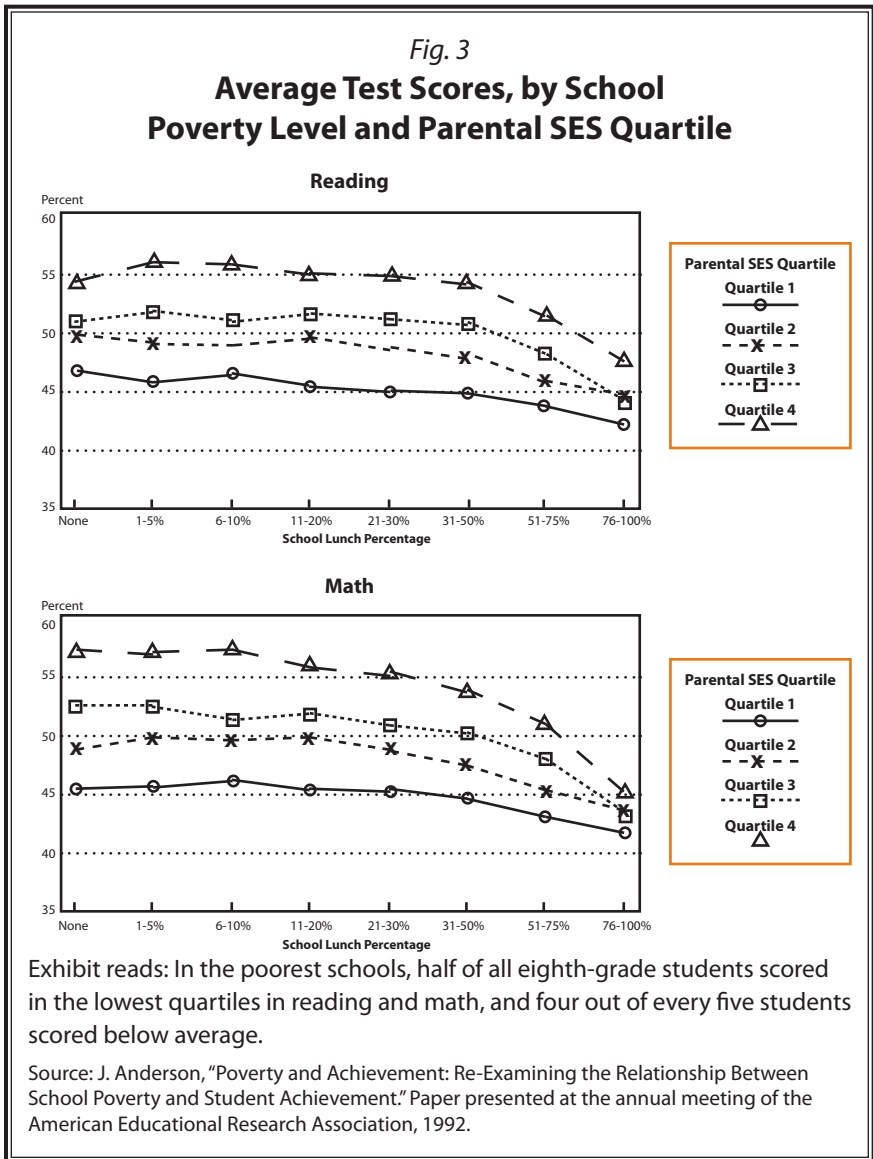
Rationale: Poverty’s Effect on Educational Achievement

Congressional consideration of changes to the Title I allocation formulas always involves a mixture of application of relevant research findings and balancing of political interests in terms of the estimated fiscal impact of formula changes. The three formulas that consider poverty concentration — i.e., Concentration, and especially Targeted and EFIG Grants — were adopted largely in response to research findings that the negative impact of poverty on educational achievement, while statistically significant at the level of individual students, was much greater when the overall student body is characterized by high levels of poverty. Research on the relationships between child poverty and educational achievement often focuses on individual families, or on national aggregate data. However, some key studies have further investigated the additional impact on student achievement of the level of poverty in a student’s environment.

With few exceptions, this research has defined “poverty concentration” in terms of the *percentage of students from low-income families attending a student’s school*. A basic finding of this research is that the negative impact of low family income on student achievement increases as the school’s percentage of students from low-income families rises (see Fig. 3 for an example of one such finding). In fact, some studies have found that the performance of students from *non*-low income families in schools with high poverty rates is lower than the performance of students from low-income families in schools with low poverty rates.¹

1. See, for example, “The Relationship Between Poverty and Achievement,” Appendix D-2 of “Poverty, Achievement, and the Distribution

Although it became available subsequent to the adoption of these allocation formulas, a useful meta-analysis of studies of the relationships between low family income (or other measures of socioeconomic status) and student achievement was published in the “Review of Educational Research” in 2005.² This meta-analysis, which included a wide variety of studies conducted in the 1990s, concluded that there is a “medium level of association between SES (socioeconomic status) and



of Compensatory Education Services,” by David Myers, National Assessment of Chapter 1, U.S. Department of Education, 1986; “Prospects: The Final Report on Student Outcomes,” by Michael J. Puma, et al., U.S. Department of Education, April 1997 (the interim report in this series was published in 1993); and “Promising Results, Continuing Challenges: The Final Report of the National Assessment of Title I,” U.S. Department of education, 1999, especially page 19.
2. Sirin, Selcuk R., “Socioeconomic Status and Academic Achievement” A Meta-Analytic Review of Research,” *Review of Educational Research*, Fall 2005, pages 417-453.

See **Poverty Concentration**, p. 6

Poverty Concentration (continued from p. 5)

academic achievement at the student level and a large degree of association at the school level.”³ It was further found that the magnitude of this relationship: is greater at the middle school level than for elementary or high schools; is somewhat stronger for white students than for African-American students; is somewhat weaker in urban schools than in other types of localities; and is somewhat lower than was found in a similar meta-analysis published in 1982.⁴

It was partly in response to these findings of increasing negative effects of poverty on achievement with rising school percentages of students from low-income families that the Targeted Grant and (eventually) the EFIG formulas (the latter applicable within states only) were designed to provide steadily increasing grant amounts per formula child as poverty concentration increases. In addition to the studies referred to above, the recommendations of a series of reports prepared by Iris Rotberg, et al., for the RAND Corporation were influential during congressional deliberations in 1993-94.⁵ As noted earlier, in this case, “poverty concentration” is defined as increasing *percentages or numbers of formula children* at the LEA level, not the *percentage* of students from low-income families at the *school* level.

Why Include Numbers as a Measure of Poverty Concentration?

If the research on which the Concentration, Targeted, and EFIG Grant formulas are largely based almost always focuses on the percentage of children from poor families at the school level, why do these allocation formulas consider the percentage and number of such students at the LEA level in determining final grant amounts?

First, allocation of Title I funds directly to schools has never been feasible, due to the lack of an adequately reliable database, and variations in how “low-income” is defined for school-level allocations under Title I. Even if it were feasible, allocation directly to schools on the basis of poverty concentration would probably create undesirable incentives.

In the Improving America’s Schools Act of 1994, legislative changes were made that were intended to increase targeting of Title I funds on the highest-poverty schools within LEAs, in addition to adoption of the Targeted and EFIG Grant formulas. Targeting of funds on high-pov-

erty schools within LEAs did improve significantly in the years immediately after the IASA (for example, between the 1993-94 and 1997-98 school years, the estimated percentage of schools where more than 75 percent of students were from low-income families that received Title I grants rose from 79 percent to 95 percent).⁶

Second, an important technical factor is that at the time the current Concentration, Targeted and EFIG formulas were initially developed and considered (1987-88 and 1993-94, respectively), Title I grants were made by *county*, not by LEA. LEAs with high-poverty rates, whether large or small, were frequently located in counties that did not have especially high-poverty rates overall. Formulas that considered only poverty rates would not have targeted funds to many, if not most, of the nation’s LEAs with concentrations of poverty, however defined. Allocations were first calculated directly for LEAs in school year 1999-2000, but even today, the poverty rates of large, countywide LEAs in some states (such as Clark County/Las Vegas, Nev. or Charlotte-Mecklenburg, N.C.) may not reflect the extent of poverty concentration in some parts of those LEAs.

During the one reauthorization — the No Child Left Behind Act of 2001 — that has occurred since the Targeted and EFIG Grant formulas were initiated and funds began to be allocated by LEA, the issue of whether these formulas should continue to have both number and percentage weighting scales was not extensively reconsidered.

Third, as is widely recognized, Congress never makes decisions regarding changes to allocation formulas in a vacuum. Legislators always look very closely at estimates of the potential impact of possible changes on the geographic allocation of funds, even though that is always an imperfect process (if only because they are projecting future allocation patterns on the basis of current formula factor data that will be updated before any formula changes are implemented). The development of allocation formulas is always heavily influenced by the desire of key legislators — especially subcommittee chairs and ranking minority members — to show benefits to a broad balance of states and localities, while also increasing aid to areas about which they are especially concerned. Thus far, this has resulted in the inclusion of both numbers and percentages in defining poverty concentration for Title I allocation formulas.

Fourth, there is a degree of institutional inertia involved in formula deliberations as well. Title I formulas have defined “poverty concentration” in terms of both

3. Sirin, page 438.

4. White, K., “The Relation Between Socioeconomic Status and Academic Achievement,” *Psychological Bulletin*, volume 91, 1982, pages 461-481.

5. Rotberg, Iris C., Harvey, James J., and Barro, Stephen M., “Federal Policy Options for Improving the Education of Low-Income Students,” particularly “Volume I: Findings and Recommendations,” RAND Corporation, 1993.

6. “Promising Results, Continuing Challenges: The Final Report of the National Assessment of Title I,” U.S. Department of Education, 1999, exhibit 8, page xxiii.

See *Poverty Concentration*, p. 7

Poverty Concentration (continued from p. 6)

percentages and numbers since 1970. A switch now to considering only (or mostly) percentages would change longstanding allocation patterns, unless it were phased in gradually over several years. (This usually has been the case with formula changes anyway, which is one reason why we have such a complicated multiplicity of formulas today.) Further, a switch to considering only poverty percentages in the Concentration, Targeted, and EFIG Grant formulas would probably have unintended consequences; for example, this would likely reduce grants not only to several (but not all) of the largest urban LEAs and suburbs, but would also tend to be disadvantageous to states that have several relatively large, county-wide LEAs.

Fifth, a formula that somewhat favors large cities might be justified, in part, by the large percentage of high poverty schools located in those urban districts and the number of students enrolled in them. If one defines high-poverty schools as those in which 75 percent or more of the students are from low-income families (participants in the free or reduced-price school lunch programs)⁷, then according to the Common Core of Data survey of the National Center for Education Statistics (2009-10 data), these schools were located in different types of localities as specified in Figure 4, below.

Fig. 4

Distribution of Students Attending High-Poverty Schools by Locale Code

Type of Locality	Number of Students Enrolled in High-Poverty Schools	Percentage of National Total
Cities (locale codes 11-13)	4,820,388	52.8%
Suburbs (locale codes 21-23)	2,307,528	25.3%
Towns (locale codes 31-33)	868,405	9.5%
Rural (locale codes 41-43)	1,135,843	12.4%
Total	9,132,164	100.0%

Thus, while students in high-poverty schools appear in every type of locality, they are especially numerous in central city urban districts. While 52.8 percent of these students are located in central cities of any size, 32.9 percent are located specifically in the largest cities (locale code 11).

It might be instructive to compare these shares of students attending high-poverty schools with shares of

7. In contrast to formula allocations to LEAs, which are based primarily on counts of children in families in poverty as defined by the U.S. Census, allocations to schools generally are based on their enrollment of children who are eligible for free and reduced-price lunches under the National School Lunch Program. The latter data are more readily available. Because children with family incomes as high as 185 percent of the Census poverty rate are eligible for the lunch program, this is considered a more generous definition of “poverty.”

Title I grants under the Targeted plus EFIG Grant formulas, as well as Title I LEA grants for the preceding year (the 2008-09 school year, FY 2008 grants), as seen in the following table:

Fig. 5

Distribution of Students In High-Poverty Schools by Locale and Share of Funding

Type of Locality	Percentage of Students Enrolled in High Poverty Schools, 2009-10	Percentage of Total Title I LEA Grants for 2008-09 (FY2008)	Percentage of Title I LEA Grants Under the Targeted + EFIG Formulas for 2008-09 (FY2008)
Cities (locale codes 11-13)	52.8%	49.3%	53.9%
Suburbs (locale codes 21-23)	25.3%	24.2%	22.5%
Towns (locale codes 31-33)	9.5%	11.6%	10.2%
Rural (locale codes 41-43)	12.4%	14.9%	13.3%
Total	100.0%	100.0%	100.0%

For city districts overall, the share of total Title I LEA grants was slightly lower, and the share of funds under the Targeted plus EFIG Grant formulas was slightly higher, compared to the share of students enrolled in high-poverty schools in these districts. Further, LEAs specifically in large cities (locale code 11) had 32.9 percent of the national total number of students enrolled in high poverty schools and received 31.2 percent of total Title I LEA grants and 36.2 percent of grants under the Targeted plus EFIG Grant formulas. Suburban LEAs received somewhat lower shares of funds than their percentage of students enrolled in high poverty schools, although in this case their share of Targeted plus EFIG Grants was lower than their share of total Title I grants. For both town and rural districts, the shares of total Title I grants and of Targeted plus EFIG Grants specifically were slightly higher than their share of students enrolled in high-poverty schools.

The comparison described above might have somewhat different results if different thresholds for defining high-poverty schools were applied, or if data for different years were used. The 75 percent low-income enrollment threshold was not chosen arbitrarily — it has frequently been used as a “high poverty” threshold in other studies and was for many years the eligibility threshold for Title I schoolwide programs — but other thresholds might be equally valid for comparison purposes. Also, the determination of Title I grant shares to various types of LEAs is very substantially influenced by formula factors other than the weighting of children in poor families and

See *Poverty Concentration*, p. 8

Formula Fairness (continued from p. 1)

To mitigate this disparity, a growing coalition of education associations and civil rights groups is backing a “Formula Fairness Campaign” to persuade Congress to send a greater share of Title I funds to districts like Lee, at the expense of districts like Fairfax.

Led by the Rural School and Community Trust, the Campaign has signed up more than two-dozen organizational sponsors. Most of them represent the interests of small and rural districts, but the list of supporters also includes non-district-based groups such as the National Alliance of Black School Educators, Save the Children and the Children’s Defense Fund. The American Association of School Administrators (AASA), a lobbying heavyweight that represents school administrators across the country, officially endorsed the campaign this summer.

Poverty Concentration (continued from p. 7)

others counted in these formulas, particularly the state expenditure factor (which tends to be low in states where rural LEAs with high-poverty schools are located, and relatively high in the states where several of the largest cities are located). Nevertheless, the analyses in this article at least raise the question of whether the largest central city LEAs, and some large suburban LEAs with low-poverty rates, receive disproportionately large shares of grants under the Targeted and EFIG Grants.

One option for modifying these formulas, short of dropping numbers-based scales completely, might be to modify the weighting scales to provide relatively less benefit on the basis of very large numbers of formula children (i.e., raise the maximum weight based on percentages and/or reduce the maximum weight based on numbers). Alternatively, Congress might set a minimum poverty rate before LEAs can take advantage of the numbers-based weighting scale at all. For example, it might specify that if an LEA’s poverty rate is less than some threshold level, such as 15 percent or 20 percent, only the percentage scale would be used to determine its grant, and the numbers scale would not be applied to that LEA. A combination of these formula revisions would reduce, if not eliminate, two concerns about the current formulas — the substantial advantage given to the largest cities, as well as the especially favorable treatment of some urban and suburban districts with low poverty rates — with minimal disruption to general allocation patterns or unintended consequences. 🏠

About the author — Wayne Riddle recently retired from the Congressional Research Service after a career of more than 30 years advising Congress on a wide variety of issues related to Title I and other Elementary and Secondary Education Act programs.

The target of the campaign is the so-called “number-weighting” component of Title I’s four-part formula for allocating funding to Title I school districts. The Campaign contends that the use of number-weighting directs an unfair share of funding to lower-poverty districts in the most populous cities and urban suburbs, at the expense of rural areas and small cities with higher percentages of poverty.

The Campaign estimates that if number weighting had not existed in school year 2008–09 — its comparison year — approximately \$457 million, or 3 percent of total Title I funding, would have shifted from one group to the other.

The Campaign has gained some traction in the House of Representatives, with 17 members backing a bill — the All Children Are Equal Act, H.R. 2485 — that would address the campaign’s goals. Although the 11 Republicans and six Democrats together constitute a relatively small percentage of the House, they have some clout — seven of the Republicans and one of the Democrats are members of the House Education and the Workforce Committee, which is in charge of reauthorizing Title I.

There is as yet no companion bill in the Senate, and the bill to reauthorize the overall Elementary and Secondary Education Act (ESEA) — which includes Title I — recently approved by the Senate Health, Education, Labor and Pensions Committee proposes no changes to the formula. Further, the Campaign may face some push-back from representatives of prospective losers. “Fairness is in the eye of the beholder,” said Jeff Simering, director of legislative services for the Council of the Great City Schools (CGCS), which represents the 66 most-populous school districts in the nation. “And we don’t think [the Campaign’s proposal] is fair.”

Moreover, the measure’s fate is probably tied to overall progress on the long-stalled reauthorization of the ESEA. But the Campaign’s efforts may lay the groundwork for serious negotiations between the House and Senate once the House produces its own version of the reauthorization.

Percentages and Numbers

Since the ESEA (currently known as No Child Left Behind) was enacted in 1965, the principal factor in the distribution of Title I funds to school districts has been counts of children in poverty and those facing certain other disadvantages, such as residence in local institutions for neglected and delinquent children. (Together, these are commonly termed “formula children”). For more than three decades, funds were allocated mainly under a broad-based Basic Grant formula, with some additional funding

See **Formula Fairness**, p. 9

Formula Fairness (continued from p. 8)

for high-poverty school districts under the so-called Concentration Grant formula (see box, p. 11, for an overview of the Title I formula). In 1994, however, Congress decided to tip the scales further toward districts with higher concentrations of low-income children. This decision was based on research demonstrating that higher percentages of school poverty are strongly correlated with lower student achievement (see related story, p. 3).

The 1994 Title I amendments created two new formulas — Targeted Grants and Education Finance Incentive Grants (EFIG) — that artificially inflate the counts of children in high-poverty districts. This is achieved by assigning higher “weights” to those districts’ formula-eligible low-income children; for example, depending on circumstances, a child might be artificially counted as two or three or four children when the numbers are cranked into the formula.

Congress established two weighting systems (see table, below). One assigns higher weights to children in districts with a higher *percentage* of poverty, while the other assigns higher weights to children in districts with a higher *number* of children in poverty. The weights are assigned in “step-wise” fashion. That is, there are multiple steps in each system, with each step representing a higher percentage or higher number, as the case may be. Once a given threshold is reached, only the children whose numbers exceed that threshold are given the greater weight. Each district’s Title I allocation is based on the higher of the results under the two weighting systems.

According to the Campaign, “the number weighting system is much more powerful than the percentage weighting system, favoring larger districts even if their poverty percentage is low. Number weighting is so powerful that it simply overwhelms percentage weighting.”

Thus, to use a favorite Campaign example, each formula child in Houston (29 percent poverty) counts, on average, as 2.69 children, while each formula child in the tiny Jim Hogg County (Texas) school district (28 percent poverty) counts as 1.5 children.

Although created in 1994, the new formulas were not funded until 2002, and only recently has the full impact of the changes become widely understood. In particular, the disparity has come as a surprise to many in Congress. “The reason we are getting some traction,” wrote Campaign Director Marty Strange in an email, “is

that a lot of members of Congress who thought they were the beneficiaries of the weighting system because they had high-percentage poverty districts are finding out otherwise.”

In school year 2008-09, there were approximately 14,000 public school districts in the United States, of which roughly 13,200 qualified for at least some Title I funds. Using data from the Congressional Research Service (CRS), the Campaign has performed elaborate calculations that illustrate the impact on every one of the 12,007 school districts in the U.S. that receive Title I Targeted Grant funds, minus the District of Columbia and Puerto Rico. According to the Campaign, 797 of the 900 poorest rural and small town school districts in the United States — located across the country but concentrated in the south and along the Texas border — lose funds due to number-weighting.

But this is not just a rural issue. According to the Campaign, small high-poverty urban districts, such as Flint, Mich.; Rochester, N.Y.; Laredo, Texas; and Reading, Pa., also lose funds under number-weighting.

One of the most striking comparisons is found in a Campaign table showing the 25 suburban districts that gain the most funding due to number weighting. Of these, the Miami-Dade County school district has the *highest* poverty rate (22 percent), with most districts clustering in the range of 8-16 percent. By contrast, out of the 25 rural districts that lose the most funding, the *lowest* poverty rate district (Suwannee County, Fla.) has a rate of 24 percent, while 18 of the districts are at or above 30 percent.

Although most of the Campaign’s rhetoric focuses on the Targeted Grant formula, it also seeks changes in the Education Finance Incentive Grant formula. This somewhat quirky formula rewards states that have high levels of school finance equity and make a superior effort to fund education, as measured by per-pupil funding in relation to per-capita income. However, once the state’s grant is calculated, funds are suballocated to districts within the state according to percentage and number weights like those in the Targeted Grant formula.

Targeted Grant Formula Weights

Current % Formula Formula Children as % of 5-17 Population	Weight	Current # Formula Number of Formula Children	Weight	H.R. 2485 # Formula Number of Formula Children*	Weight
0-15.58%	1.00	1-691	1.00	1-2,262	1.00
>15.58% to 22.11%	1.75	692-2,262	1.50	2,263-7,851	1.20
>22.11% to 30.16%	2.50	2,263-7,851	2.00	7,852-35,514	1.50
>30.16% to 38.24%	3.25	7,852-35,514	2.50	35,515 or more	1.80
>38.24%	4.00	35,515 or more	3.00		

*The weights in this column represent the final weights in FY 2015, after a four-year phase-in. During the phase-in period, the number weights in the five existing brackets would be reduced gradually each year, with the second bracket eliminated entirely in the last year. Similar changes would be made in the EFIG brackets.

See Formula Fairness, p. 10

Formula Fairness (continued from p. 9)

Why focus on only two of the Title I formulas? As bank-robbler Willie Sutton said when asked why he targeted banks, “That is where the money is.” The Title I law directs that all increases in annual appropriations be focused on these two formulas, so they are growing while the two original formulas — Basic and Concentration grants — are stagnant or declining (see table, below).

ACE = The Simplest Fix?

Originally, the Campaign put forth several different alternatives for lowering the impact of number-weighting, including eliminating it entirely but providing supplemental funding to large districts during a phase-out period, retaining it but limiting its use to districts with very high percentages of poverty, or simply changing the weights. It appears that the last alternative is the favored one on the Hill. The sole existing vehicle — the Campaign-backed All Children Are Equal Act (ACE) — simply would ratchet back the number weights over four years and ultimately eliminate one bracket (see table, p. 9).

Targeted and EFIG Funding — Selected Years

Formula	School Year 2002-03 ^a		School Year 2008-09 ^b		School Year 2011-12 ^c	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Basic	7,097,776	69.29%	6,528,075	47.46%	6,584,750	45.53%
Concentration	1,351,381	13.19%	1,351,381	9.82%	1,362,301	9.42%
Targeted	1,008,314	9.84%	2,938,270	21.36%	3,258,183	22.53%
EFIG	785,564	7.67%	2,938,270	21.36%	3,258,183	22.53%
Total	10,243,035	100.00%	13,755,996	100.00%	14,463,417	100.00%

a. First year that Targeted and EFIG formulas were funded.
b. Campaign’s comparison year.
c. Current year appropriation (does not reflect cut in short-term continuing resolution, P.L. 112-36)

“ACE will have less impact than total elimination,” according to Marty Strange, “because the largest districts (the ones with the highest Title I student count) would still benefit from number weighting, albeit not as much. My estimation is that districts with at least 35,000 Title I students would continue to gain from number weighting.”

There is another approach, which the nonprofit Center for American Progress has proposed: starting from scratch and folding all the relevant policy objectives into a single new formula. This formula would incorporate the relative cost of education in each state, the state’s fiscal effort, and the percentage of children in poverty. As with ACE, some of the most populous school districts would lose a relative share of funds. But there is no sponsor of this approach in Congress as yet. According to Raegen T. Miller, one of the authors of CAP’s proposal, he never expected that Congress would pick up CAP’s proposal in its entirety. Further, he said, there are “political accretions” to the formula that will always be there.

These consist of long-standing special provisions, such as the “small-state minimum” that were necessary to gain support from key legislators in past disputes.

Although Raegan says that ACE tackles only one aspect of the problem — unlike CAP’s comprehensive approach — the bill “certainly moves in the right direction.”

And ACE’s incremental approach may be the probable route. As New America Foundation blogger Jennifer Cohen pointed out Aug. 9, “While it may be tempting to scrap the existing formulas and start over, the legislative process is unlikely to be so simple. ... In reality, it is more likely that Congress will tinker at the margins of the existing formulas to help ensure a greater degree of equity across states and school districts.”

Regardless of the legislative strategy, changes will draw resistance from some quarters. And the results might not be pretty.

“There will be a [Title I] formula fight. And formula fights are the worst kind,” said Brad Thomas, senior education policy advisor for House education committee Chairman John Kline, R-Minn., at a July Washington, D.C., briefing for Title I state coordinators.

Big Districts Will Be Heard

Certainly, populous districts like those represented by the Council of the Great City Schools can be expected to resist. “To a large extent, the [existing] formula attempts to be a proxy for recognizing things like cost, educational disadvantage, and minority achievement

gaps. These were the things that were in the minds of the original folks who put together the formula,” said Simering.

One commonly cited counter-argument addresses the situation where low-poverty school districts have a few high-poverty schools. “For larger school districts with ‘pockets’ of poverty,” said Fairfax County’s Title I director Teddi Predaris, “the absolute number system may level the playing field so that schools with high poverty rates may receive the resources they deserve, even though the overall poverty rate of the entire division may not be as high as a smaller division with fewer schools. For example, Fairfax County Public Schools has 22 Title I schools with poverty rates of 60 percent or higher, but because it is a large school district, with ‘pockets’ of high poverty, its overall percentage of poverty may be lower than a smaller division with fewer schools.”

See *Formula Fairness*, p. 11

Formula Fairness (continued from p. 10)

(Predaris' "60 percent" figure refers to the percentage of students in a given school that are enrolled in the federal free and reduced-price lunch program. This is the common method of identifying poverty at the school level because U.S. Census poverty breakouts are not available for such small areas. This is a more expansive

definition of poverty than the Census definition because children from families with incomes as high as 185 percent of Census poverty are eligible for free and reduced-price lunches.)

"Some states are divided into many small school districts, some of which have only one secondary school and very few elementary schools," Predaris added. "Other

See Formula Fairness, p. 13

The Title I Formula

The Title I allocation formula is a complex mish-mash generated by a clash of competing political priorities over 45 years. In fact, a National Center for Education Statistics guide to collecting and programming the necessary data consists of no fewer than 47 single-spaced pages. Following is a simplified explanation of the formula, omitting numerous special provisions, including provisions that guarantee minimum amounts for small states and that gradually phase out grants for local educational agencies (LEAs) that otherwise would suffer abrupt losses from one year to the next.

Title I allocations are calculated each year for every qualifying public school district in the country. In 2008-09, approximately 94 percent of the nation's 14,000 districts qualified for funds. With one exception described below, "state" allocations are, by and large, simply the total of the allocations for the school districts in the state. However, LEAs do not receive funds directly from the federal government. Instead, as with all other federal formula programs, monies are funneled through, and administered by, states.

Title I funding is a zero-sum game. The annual appropriation sets the cap and that sum is divided among school districts. If one district gains in relative terms, others must lose.

There are four "sub-formulas" that together constitute the Title I formula: Basic, Concentration, Targeted and Education Finance Incentive Grants (EFIG). Each gets its own appropriation, but once the funds reach the LEA, they lose their identity and become a single allocation.

Under all four formulas, the basic factor for distribution of funds is an annual estimate of the LEA's population of children aged 5-17 living in poor families as defined by the U.S. Census. Also lumped into this count are a small number (less than 4 percent of the total) of other disadvantaged children: those living in local institutions for neglected and delinquent children; foster children; and children in families above the poverty rate that nonetheless qualify for certain welfare payments. In one fashion or the other, each formula also considers states' per-pupil expenditures for education as a crude proxy for the cost of education in the respective states. Within these parameters, each formula has its special features:

- *Basic Grants* — This is the original Title I formula enacted in 1965. For a Basic Grant, a school district must have at least 10 "formula children" and these children must exceed 2 percent of the LEA's child population. If not for the various special adjustments referenced above, the per-pupil amount of each LEA's Basic Grant theoretically would be identical. The appropriation for Basic Grants (currently \$6.5 billion out of a total of \$14.3 billion) has been essentially stagnant for a decade. Since 2002, all additional funding for Title I has been funneled through Targeted and EFIG Grants, which means that the Basic Grant share of total funding now constitutes only 46 percent of all Title I funding.
- *Concentration Grants* — A crude attempt to direct more money to areas with high concentrations of low-income children, this longstanding formula awards extra money to districts with formula-eligible populations of more than 15 percent or 6,500 low-income children. Over half of the districts that receive Basic Grants also receive Concentration Grants. One notable feature of this formula is its "funding cliff" — if a district meets the threshold, it receives a significant grant, but if it falls one child short, it receives nothing. As with the Basic Grants, funding for Concentration Grants has been stagnant since 2002. It currently amounts to \$1.3 billion, or about 9 percent of total funding.
- *Targeted Grants* — This formula awards extra funds to school districts with at least 10 formula children and a formula count equal to at least 5 percent. As noted in the text, the formula counts are weighted so districts with greater numbers or percentages of formula children receive more money per child.
- *Education Finance Incentive Grants* — This complex formula is unusual because it involves a two-step calculation. First, the aggregate state grant is calculated by multiplying all the children counted for the purposes of the Basic Grant formula by: the state per-pupil expenditure; a "fiscal effort factor" that compares a state's per pupil expenditure and per-capita income to national equivalents; and a state "equity factor" that compares per-pupil expenditures in individual districts with the average per-pupil expenditure across the state. Once a state's grant is calculated, the funds are then suballocated among districts eligible for a Targeted Grant, with child weights applied in a similar fashion.

NCLB Reauthorization (continued from p. 2)

the move received the support of the committee's GOP members and the NEA, which opposes the four turn-around models currently mandated under SIG, many of which require removing teachers or establishing merit pay. Though seven Democrats on the committee opposed it, the amendment passed.

At press time, no floor vote had been scheduled for the whole Senate to weigh in on the bill. Nonetheless, some pundits are now more optimistic than ever that momentum is shifting towards a reauthorization bill passing before the elections next year.

Michael Petrilli, vice president for national programs and policy at the Thomas B. Fordham Institute and a top ED official under President George W. Bush, said "the contours of a bill that could pass both chambers is in sight." Petrilli believes the bill could look like a well-

received package floated earlier this year by Republican Senators Alexander and Richard Burr, R-N.C.

"That represents a mid-point between Harkin-Enzi and what is likely to emerge from the House," he said. "It mostly represents a rollback of NCLB's overreach, without abdicating the federal role entirely."

But Jack Jennings, president and CEO of the Center on Education Policy, said that Republican skepticism of a strong federal role in education policy would be a tough barrier to any reauthorization bill.

"In the Senate committee, seven of the Republicans voted against and only three for the bill," said Jennings, formerly a long-time Democratic staffer on the House education committee. "During the debate, Sen. Harkin and the Obama administration accepted Republican amendments watering the bill down in order to get those three votes. On the Senate floor, they will have to further

See NCLB Reauthorization, p. 13



Hark(in)! The Lessons of 2007

By David DeSchryver

(Oct. 21, 2011)

The Elementary and Secondary Education Act (ESEA) has not seen this kind of action since 2007. Back then, House education committee Chairman George Miller, D-Calif., introduced a "discussion draft" to overhaul No Child Left Behind. The response was unanimous: Everyone hated it. They beat it like piñata. Despite the opposition, then-Chairman

Miller fought hard to preserve his "draft." The conspiring forces and the pressure of an upcoming presidential election, however, were too great. The process crumbled, and the unions turned against the proposed merit-pay provisions. As a result, Miller never formally introduced the bill in the House. The Senate education committee, led by the late Senator Edward Kennedy, D-Mass. — with Iowa Sen. Tom Harkin acting as his Democratic deputy — watched the bloodletting from afar.

Fast forward to Oct. 11. Sen. Harkin, now the chairman of the Senate education committee, floated a long-awaited draft of an ESEA reauthorization bill. The draft version contained ambitious provisions, including teacher and principal evaluation requirements that resembled those in the administration's Race to the Top program. In particular, the proposal required the evaluation policies to account for student academic growth, with the evaluations to be used for job-review purposes. The early language also included growth models that would require students to be on track to be the "college- and career-ready" in three years.

That draft version did not survive the weekend. The teachers unions and other groups ripped Harkin for the teacher evaluation policies and prescriptive growth models. Memories of 2007 must have come rushing back, because Harkin did not put up a fight. Instead, he officially introduced a revised bill, stripping out the tough teacher evaluation language and proficiency deadlines for the growth models. This, of course, brought the proponents of stricter accountability measures and teacher evaluations to their feet. How could Harkin do this? And where was the support for U.S. Education Secretary Secretary Arne Duncan and tougher federal accountability? ("Not in the Senate chamber" is your answer.) As Mike Petrilli of the Thomas B. Fordham Institute put it, the civil rights groups got "rolled."

And just like that, the Senate education committee approved the revised version of the bill Oct. 20, after a two-day markup. It was a grueling process. Sen. Michael Bennet, D-Colo., for example, tried without success to introduce amendments that would have set proficiency goals for students — trying to get back some accountability within a deadline. It was not, however, a time to stress about details. From my perspective, Harkin acted on the key lesson of 2007: On the eve of a presidential election year, always value action over detail. The details eventually will emerge from the ugliness of floor amendments, House action and conference negotiations. There is a lot of play left. But none of that is possible until something gets out of committee. Well, now it's out there. We have something very tangible to discuss and debate. Harkin's most difficult challenge — starting the process — is behind him.

Formula Fairness (continued from p. 11)

states have designated school districts in alignment with very large geographic counties, where districts may include hundreds of schools. Large school districts may include urban, suburban and rural-like components all within the boundaries of one large division. Children and schools that may be located within ‘pockets’ of poverty in a large district have the same type of educational resource needs as those that may be located in a smaller school district with fewer students.”

Congress and the Bottom Line

Regardless of the merits of a policy, no senator or representative wants to announce that a newly revised Title I formula cuts his state’s or district’s Title I funding. While members who are directly involved in education policy are likely to grasp the nuances of the policy debate, others will focus simply on the bottom line. Certainly, it is not surprising that all 11 of the original House sponsors’ congressional districts would benefit by the bill.


In the 1994 formula fight that ultimately resulted in the creation of the Targeted and EFIG formulas, one of the most popular spots on Capitol Hill was the room in the Library of Congress Madison Building where the formula “runs” from CRS were available in a massive volume of spreadsheets. There was a steady stream of congressional staff checking the results and reporting back the good or bad news to their bosses.

There are strategies for salvaging the bruises of losing districts. More money is the easiest. If the appropriation rises significantly, then all or most districts may receive as much or more in actual dollars, even if they receive a smaller share of the overall funding. A related alternative is to establish a “hold-harmless” that guarantees “losing” districts at least the same as they previously received. This means that “winning” districts only will see more funding if the appropriation increases. In fact, the Title I statute already has a similar mechanism that provides districts some protection from precipitous losses, but it could be augmented with a special hold-harmless provision.

An even bigger barrier to enactment of formula changes is the overall progress — or lack of progress — on the reauthorization of the ESEA. The Senate HELP committee moved the ball with its Oct. 20 approval of a comprehensive ESEA bill, albeit without any formula provisions (see story, p. 1). Any formula changes probably would appear as a floor amendment when the full Senate takes up the bill. On the other side of the Hill, House Education and the Workforce Committee Chairman John Kline has not yet scheduled a markup of a bill to reauthorize the Title I component of his multi-bill

ESEA package, but, given the support of his committee colleagues for the ACE bill, formula changes may be included in his measure.

“It is obviously an easier lift to get support in the House side because there are entire Congressional districts that are negatively impacted by the issue,” wrote Noelle Ellerson, AASA’s assistant director for policy analysis and advocacy, in an email. The situation is different in the Senate, where each legislator represents the entire state. In that chamber, she wrote, “any support could be seen as choosing one school district over another, given the finite nature of a state’s federal Title I allocation. That said, it is an equity issue and we continue to have support on both sides of the Hill, both sides of the aisle.”

Chances are high that the partisan divide in Congress may continue to stymie progress on the ESEA until after the 2012 elections. On its own, ACE probably has little chance of enactment; getting incremental, free-standing changes on a controversial issue through Congress is very difficult. So, with its fate linked to the ESEA reauthorization, the Formula Funding Campaign may have a long row to hoe before its efforts bear fruit. 


— Charles Edwards

For More Information

- The Formula Fairness website is at <http://www.formulafairness.com>
- For information on the ACE bill, search for “H.R. 2485” at <http://thomas.loc.gov/home/thomas.php>
- The Center for American Progress’s formula proposal may be downloaded at http://www.americanprogress.org/issues/2010/02/bitter_pill.html
- The school year 2008-09 Title I allocation tables may be viewed at <http://www.thompson.com/public/nclb/fundinginformation/allocation2008-09.html>

NCLB Reauthorization (continued from p. 12)

weaken the bill to get enough Republican support to overcome a filibuster. And the Senate bill will be stronger than any House-passed bill. The Republicans in the House think more like the seven senators who voted no than they do like the three who voted yes.”

And even the three who voted yes may not be so sure. At the Nov. 8 hearing, Enzi significantly tempered his support for the bill. “It is important to note that I do not support 100 percent of the bill we reported out,” he said. “I would have supported a much smaller federal role and far fewer federal programs.” 

— Andrew Brownstein

Commission Continues to Debate Federal Role In Enforcing Equity in K-12 Public Education

The Equity and Excellence Commission won a deadline reprieve of sorts at its October meeting, granting members some welcome breathing room to home in on what the federal role should be for ensuring equity in the nation's public schools.

The extra time came from a surprise guest, U.S. Department of Education (ED) Secretary Arne Duncan. Several members asked him if they should push the timetable for producing the report. Duncan told them to produce the best report they could, and not to worry about timing. The upshot is that the report, which had been expected to be finalized in December, is now slated for publication in the spring of 2012.

A majority of the commission appears to support a beefed-up federal enforcement role, one that establishes equity criteria for states and gives the federal government the power to sanction states that aren't following the rules.

Christopher Edley, dean of the law school at the University of California at Berkeley and co-chairman of the commission, noted that there was a precedent for states to take over responsibilities for persistently failing districts. "Why not extend that same logic to situations where the state is failing miserably" in its equity responsibilities, he asked.

As an example, Edley noted the Clean Air Act, which requires states to create air quality standards or risk federal interventions. Marc Morial, president of the National Urban League, pointed to Justice Department policies that once allowed the federal government to take over municipal police departments with track records of civil rights violations.

"They took over very few departments," Morial said. "But they used the lever to force police departments into consent decrees and voluntary agreements."

The commission has been meeting for almost a year to arrive at a solution to one of education's thorniest issues: the inequitable distribution of resources. The commission's charge is to find ways to reform the system so that poor students have an equitable shot at access to, among other things, high-quality teachers and programs like Advanced Placement courses.

Edley identified six main areas where there could be a federal enforcement role: the finance system, standards, accountability, the teacher and leadership pipeline, early childhood education and schooling for English Learners.

"There's a critical equity dimension to all six of those," he said.

There also seemed to be general consensus that the report should focus on a series of outcome measures geared at raising the achievement of poor students and closing


achievement gaps. Many members are also pressing hard for a strong federal role in shaping the way schools are financed at the local level, although there was more disagreement on this point.

"We will get asked what is the optimal level of funding per student in this country to make sure every child gets ahead," Morial said. "We need to be sharp and clear. If it's, 'Well, you know, um, er,' you're going to lose the audience. ... I'm not saying money is everything, but money absolutely counts."

Eric Hanushek, the Paul and Jean Hanna Senior Fellow at the Hoover Institution of Stanford University, said there was scant research on the connection between funding and student performance. "What if states are providing the level of funding we want to districts, but the performance is low?" he asked.

He also wondered how the federal government could enforce issues that exist in the weeds of state and district policy documents. "Do we say, 'Show us your cost study?'" he asked. "That's hopeless. ... We don't know how to translate funding uniformly into the performance we care about."

Several members suggested the solution was to be *laissez-faire* with states regarding funding *unless* states fail to meet required outcomes, in which case a federal analysis would be triggered. Edley jokingly called this approach "No State Left Behind."

Hanushek predicted that states and districts would reject such a federal intrusion. "We're agreeing more money should go to disadvantaged kids," he said. "If you look at the 50 states, they are extremely different in the way they fund schools. If we come in and say we're going to rewrite that with a uniform federal funding formula, we're just going to be locked out." 

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Title I Q&A

Improvement in a Newly Funded Title I School

Q: If a non-Title I school has failed to make adequate yearly progress (AYP) two or more years in a row and then starts receiving Title I funding, does it immediately plunge into the Title I school improvement process? For example, if the newly funded school had missed AYP two years in a row before it received funding, would it immediately have to implement public school choice, as if it had been funded for those two years? Or would it start at the beginning of the school improvement timeline, ignoring its previous AYP history?

A: According to a Sept. 26, 2011, letter from the U.S. Department of Education (ED) to attorney Leigh Manasevit, the decision is entirely up to the state.

This issue typically would arise when a school district receives a significant increase in Title I funding and is able to fund more schools than before. The newly funded school would have an AYP record because No Child Left Behind requires states to evaluate all schools in the state to determine whether they made the required annual progress toward raising the achievement of their students.

However, the federal law only mandates that schools receiving Title I funds undergo the five-year cascade of sanctions set out under Section 1116 of the statute. This series of sanctions begins if a Title I school fails to make AYP for two years in a row. In the first year, it must develop a school improvement plan and implement public school choice. Continued failure will lead next to the mandatory provision of supplemental educational services, then to corrective action, and, finally, restructuring.

But the school improvement process is not just about “sanctions” — it is also about technical assistance. States reserve 4 percent of their total Title I grants to help schools in improvement, corrective action and restructuring. It might seem odd to impose sanctions on a newly funded Title I school when it has never benefited from state school improvement aid, much less regular Title I funding.

Nonetheless, that is a state option, according to ED. “The [law] does not expressly address the situation of how the school improvement provisions apply when a school does not receive Title I funds in one year but does the next, [but] we believe that states ... have flexibility to establish their own guidelines,” wrote the department.

“For example,” the letter continued,

for states that apply section 1116 requirements to all schools, there would be no distinction made between Title I and non-Title I schools relative to school

improvement requirements. Any time a school did not make AYP, that determination would advance the school along the section 1116 timeline to identification for improvement, corrective action or restructuring. In states that apply section 1116 requirements only to Title I schools, the states may establish their own guidelines.

This statement is consistent with an earlier decision by the department regarding situations where a previously funded Title I school loses its funding and hence is no longer a “Title I” school. In a “Dear Colleague” letter dated Oct. 12, 2004, ED said that states have discretion whether to continue to apply school improvement sanctions to these schools.

Allocations to Schools in Small Districts

Q: I know a local educational agency (LEA) with a total enrollment of fewer than 1,000 students is not required to follow normal Title I rules when determining which schools are served. But are such LEAs required to follow the regular Title I requirements when calculating how much money each school will receive?

A: No, said the U.S. Department of Education (ED) in a pivotal policy letter issued to Alaska on Nov. 4, 1997.

The letter was needed because the statute is unclear on this point. Subsection (a) of Section 1113 of the Title I statute sets out the requirements for selecting schools to be funded. Under the law, schools are deemed eligible if their poverty exceeds the district average or 35 percent, whichever is lower. Eligible schools must be rank-ordered by percentage of poverty and (with some exceptions) funded from highest to lowest poverty until funds run out.

But paragraph 6 of subsection 1113(a) states that “this subsection shall not apply to a local educational agency with a total enrollment of less than 1,000 students.” So it is clear that such small LEAs do not need to follow normal rules when determining which schools are to be funded.

But the rules governing the *amount* of funding for each school are contained in a different subsection, that is, subsection (c) of Section 1113. It would seem that the exemption in paragraph (6) does not apply, which means that small LEAs would still have to allocate funds to eligible schools based strictly on their poverty counts. It seems that small LEAs would still have to go through a complex calculation to determine how much each of its schools would receive.

ED’s policy letter eliminated this chore:

See Title I Q&A, p. 16

Title I Q&A (continued from p. 15)

We have also taken the position that the allocation requirements in Section 1113(c) do not apply to LEAs with a total enrollment of fewer than 1,000 students. Therefore, such an LEA is not required to determine an amount per child and multiply that figure by the number of poor children in each attendance area or school in order to calculate its allocation. In addition, neither provision applies with regard to (1) requiring that an LEA allocate a higher per-child amount to areas or schools with higher poverty rates than it allocates to areas or schools with lower poverty rates or (2) requiring that the amount per-child used to determine each school's allocation be at least 125 percent of the LEA's per-child Title I allocation in cases where a school district serves a school with a poverty rate below 35 percent.


Parental Involvement

Q: May Title I parental involvement funds be used to send a Title I parent to a national PTA conference? If so, must a school district provide such aid when requested by a Title I parent?

A: Title I funds *may* be used for the reasonable and necessary costs of supporting the attendance of Title I parents at workshops and conferences, but the decision to do so is up to school district. No parent is *entitled* to such aid.

This was the answer proffered by Patricia McKee, acting director of the Education Department's Student Achievement and School Accountability programs, in response to an inquiry. In her Feb. 24, 2011, email reply, McKee noted that "there is no general Federal prohibition on the use of Title I, Part A funds to pay for a parent to attend a national PTA meeting." Indeed, according to the official Title I Parental Involvement guidance (Q&A E-8), "Paying travel and other costs associated with attendance at out-of-state conferences and workshops may be allowable in some special cases."


But, McKee added, there are significant limitations. The guidance encourages parents to attend "local or regionally based training opportunities ... when they are the same as those being held out of state." Further, wrote McKee, "state and local policies and plans determine how to prioritize uses of Title I, Part A funds ... [W]hile Title I, Part A funds reserved for parental involvement are not prohibited to be used for travel, paying for such travel is not a requirement and a local school district can decide that parental involvement funds are better used for other allowable purposes."

According to the guidance, any Title I parent who attends a workshop or conference not open to all parents should be sure to provide information, and, if possible, training, on the conference topics to other parents of children enrolled in Title I. 

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