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Vast Majority of U.S. School Districts Will See Federal Aid Cut or Frozen

WASHINGTON – August 9, 2006 – For the coming school year, nearly all (90 percent) of the nation's school districts participating in the federal Title I program and half of the states will have their Title I funding cut or frozen, according to a new report from the Washington, D.C.-based Center on Education Policy (CEP).

The report, *Title I Funds: Who's Gaining and Who's Losing School Year 2006-07 Update* estimates actual Title I gains and losses for districts and states after applying a mandatory 4 percent reservation of funds states must make for school improvement activities as required by the No Child Left Behind Act. The report also finds:

- Twenty-five states and the District of Columbia will see their federal Title I funds reduced, compared to only nine states in school year 2005-06. Among the states losing funding, California, Massachusetts, and New York will see dollar reductions of \$46.1, \$22.4, and \$20.4 million respectively.
- The national average per pupil allocation dropped from \$1,425 for school year 2005-06 to \$1,373 for 2006-07, an average decrease of \$52 per child.
- Because of static funding streams, states will receive only 60 percent of the funds they could potentially receive under NCLB to assist schools in need of improvement.

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

www.cep-dc.org/pubs/titleIFundsGainingLosing/

"Over the last two years, nearly all of the nation's school districts have seen federal funds decrease or remain stagnant despite expanded local responsibility under NCLB and an increase in the number of low-income children in the United States," said Jack Jennings, President and CEO of the Center on Education Policy.

For school year 2006-07, the total appropriation for Title I, Part A grants to school districts of \$12.7 billion is virtually the same amount the program received the previous year. In fact, funding levels have steadily lessened from a record increase in 2002-03 of 17.8 percent to the current decrease of -.21 percent (about \$26 million less than last year).

The report updates a previous version published in June 2005, available at http://www.cep-dc.org/pubs/TitleI_Funds_6July2005/Title_I_Funds_6July2005.pdf.

The July 2004 version contains detailed information on the formulas used to distribute Title I funds and may be helpful in understanding this report – it is available at http://www.cep-dc.org/pubs/Title1_Funds_15June2004/Title_1_Funds_15June2004.pdf.

A December 2005 report, explaining the state reservation requirement for school improvement activities and its impact on school district funding, is available at <http://www.cep-dc.org/pubs/title1/TitleISchoolImpFundJan2006.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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