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Flat Funding Means that Most States Cannot Reserve the Full Amount for School Improvement Under No Child Left Behind, Report Finds

WASHINGTON – August 15, 2007 – With Title I funding streams remaining essentially flat over the last two years, a majority of states appear unable to reserve the full amount of funds required for school improvement efforts under the No Child Left Behind Act, according to a report from the independent, Washington, D.C.-based Center on Education Policy (CEP).

The report, which analyzes 2007-08 Title I, Part A allocations from the U.S. Department of Education, also finds that the level of Title I funding received by some states and school districts is extremely volatile, due to updated calculations made each year under the law's funding formulas. Among the report's key findings:

- Three states will not be able to reserve any funds for school improvement, while 26 additional states will be unable to reserve the full amount. Of these states, 22 were also unable to reserve the full funding amount in 2006-07.
- Many school districts that were slated to receive increases in Title I funding under the U.S. Department of Education's initial allocations will see their projected gains wiped out due to the NCLB requirement for states to reserve funds for school improvement activities. These districts include New York City Public Schools, the Houston Independent School District, and the Atlanta Public Schools.
- Shifts in the population of low-income children within states have caused turbulence in the level of Title I funding received by states each year. For example, Illinois will receive an approximate 10 percent gain (\$53.5 million) in 2007-08, with Wisconsin set to receive an additional 30 percent (\$47 million) and Indiana expecting a 25 percent increase (\$45.7 million). Meanwhile, California will experience a decrease of 5 percent (\$80 million) since last year, while Florida will see a drop of 9 percent (\$59.6 million) and New Jersey will lose 5 percent (\$13 million).

The Center offers two key recommendations to address these funding issues:

- The Congress should continue to appropriate separately for school improvement and increase that appropriation substantially.
- The Congress should require the U.S. Department of Education and the U.S. Census Bureau to review the accuracy of estimates of low-income children and consider other options to calculate grants, such as averaging the two most recent Census estimates.

The report, *Title I Funds: Who's Gaining and Who's Losing, School Year 2007-08 Update*, and additional reporting on Title I, is available online at www.cep-dc.org.

Based in Washington, D.C. and founded in 1995 by Jack Jennings, 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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