



Make Title I more fair and efficient

Introduction

Title I, Part A of the Elementary and Secondary Schools Act, or ESEA, is the largest program operated by the Department of Education. For Fiscal Year 2010 ending September 30 last year, Congress appropriated \$14.49 billion for Title I. The program reaches 95 percent of school districts nationwide. Over time, Title I's goal has evolved to ensure an equitable education for disadvantaged students and to bolster economic competitiveness by promoting higher academic achievement, yet Title I has some glaring problems. Due to cumbersome allocation formulas some states and districts receive a disproportionate amount of money, while others do not receive their fair share. Further, a loophole in the law allows districts to skirt important equitable education requirements, the very purpose of Title I.

Recommendation #1

Close the comparability loophole

Require districts to show Title I schools receive comparable dollars.

Under current law districts must ensure that schools receiving Title I funds and those not receiving Title I funds have comparable resources before federal funds are added, a requirement known as comparability. But districts may comply with the comparability requirement in ways that mask inequity, such as adopting a district-wide salary schedule, showing equivalent student/staff ratios, or reporting average (not actual) teacher salaries. These loopholes result in inequity. Experienced teachers, who are paid more, for example, tend to transfer to low-poverty schools, so the actual dollars going to high-poverty schools are far less than wealthier schools.¹ We recommend amending Title I to require comparability using actual per pupil expenditures, such as that outlined in the Fiscal Fairness Act of 2011 sponsored by Representative Chaka Fattah (D-PA) and Senator Michael Bennet (D-CO).

Require districts to report per-pupil expenditures for each school

Reporting actual per-pupil expenditures would have two main benefits. First, it would allow for greater transparency and more rigorous financial oversight. Secondly, it would give district officials a clearer picture of spending and, thus, flexibility in making budget decisions. We believe per pupil expenditure reporting should be part of an augmented comparability provision during a three-year phase-in period, as outlined in the Fiscal Fairness Act.

Ensure districts use smart incentives to demonstrate comparability

Districts may need assistance from the states to comply with comparability requirements, including direct technical assistance or access to an information clearinghouse. Some districts may be tempted to force teachers to change schools. This would be counterproductive. Instead, districts should empower schools to use state and local funds to take actions such as:

- Offering financial incentives for experienced, effective teachers to transfer to Title I schools
- Offering retention bonuses for effective teachers to remain in, rather than transferring out of, Title I schools
- Selectively reducing class sizes in conjunction with other strategies to support less experienced teachers in Title I schools

Recommendation #2
Simplify the Title I formula

Consolidate the four existing formulas into one fair and efficient formula

The Department of Education applies four formulas to determine Title I grants to districts: Basic, Concentration, Targeted, and Education Incentive Finance Grants. Because the formulas are needlessly complex, state agencies exhaust capacity re-calculating grants to districts that remain oblivious to the number of formulas. Therefore, we propose consolidating the four Title I formulas into one.

Our proposal uses the eligibility criteria of Targeted Grants—eligible districts must serve at least 10 low-income children representing at least 5 percent of all children served by the district. In addition, we recommend setting the minimum state allocation to a level tied to the fixed costs of operating public schools, which could benefit rural states that are often shortchanged under the current formulas. Lastly we propose that the authorized amount for each district would be the product of four factors:

- An amount of \$2,250, which puts the product in dollar terms and determines an authorized total
- A rescaled weighted-cost factor based on state and local values on the Department of Education’s Comparable Wage Index
- A fiscal-effort factor using a refinement of the measure used by the current Education Finance Incentive Grant formula
- A weighted count of qualifying children, employing only the concentration-based weighting scale in the current Targeted Grant formula

The final point is important because a concentration-based weighting scheme is fair to small and large districts alike. Furthermore, because estimates of the number of qualifying children served by small districts are volatile, replacing the raw estimate with a three-year running average would make allocations to small districts more stable.

Create an implementation fund to ensure the new formula works

Changing funding formulas would be challenging to implement and some states and districts may gain funds while others do not. We recommend creating a temporary equity fund to help implement formula changes and to lessen the impact of a lower allocation. Districts would receive equity funds based on the old formulas or allocations gradually approaching higher levels due to the new formula.

What our
recommendations
are based on

Closing the Comparability Loophole

- [Walking the Talk: Closing the Comparability Requirement Loophole in Title I of the Elementary and Secondary Education Act](#)
- [Comparable, Schmomparable: Evidence of Inequity in the Allocation of Funds for Teacher Salary Within California’s Public School Districts](#)
- [Pulling Back the Curtain: Promoting Fiscal Equity and Providing All Students with Access to Effective Teachers Will Not Require Forcible Re-assignment](#)

Simplifying the Title I Formula

- [Bitter Pill, Better Formula: Toward a Single, Fair, and Equitable Formula for ESEA Title I, Part A](#)
- [Spoonful of Sugar: An Equity Fund to Facilitate a Single, Fair, and Equitable Formula for ESEA Title I, Part A](#)
- [Secret Recipes Revealed: Demystifying the Title I, Part A Formulas](#)

¹ Raegen Miller, “Comparable, Schmomparable,” (Washington, DC: Center for American Progress, 2010).



CAP's Body of Work on ESEA Topics

Increasing Teacher and Principal Effectiveness

- [Advancing Teacher and Principal Effectiveness: Four Recommendations for Reforming the Elementary and Secondary Education Act](#)
- [Essential Elements of Teacher Policy in ESEA: Effectiveness, Fairness, and Evaluation](#)
- [Measuring What Matters: A Stronger Accountability Model for Teacher Education](#)
- [So Long Lake Wobegon?: Using Teacher Evaluation to Raise Teacher Quality](#)
- [Treating Different Teachers Differently: How State Policy Should Act on Differences in Teacher Performance to Improve Teacher Effectiveness and Equity](#)
- [Increasing Principal Effectiveness: A Strategic Investment for ESEA](#)
- [Principals' Approaches to Developing Teacher Quality](#)

Closing the Comparability Loop-hole

- [Walking the Talk: Closing the Comparability Requirement Loophole in Title I of the Elementary and Secondary Education Act](#)
- [Comparable, Schmomparable: Evidence of Inequity in the Allocation of Funds for Teacher Salary Within California's Public School Districts](#)
- [Pulling Back the Curtain: Promoting Fiscal Equity and Providing All Students with Access to Effective Teachers Will Not Require Forcible Re-assignment](#)

Simplifying the Title I Formula

- [Bitter Pill, Better Formula: Toward a Single, Fair, and Equitable Formula for ESEA Title I, Part A](#)
- [Spoonful of Sugar: An Equity Fund to Facilitate a Single, Fair, and Equitable Formula for ESEA Title I, Part A](#)
- [Secret Recipes Revealed: Demystifying the Title I, Part A Formulas](#)

Extending Learning Time

- [Transforming Schools to Meet the Needs of Students: Improving School Quality and Increasing Learning Time in ESEA](#)
- [Expanded Time, Enriching Experiences: Expanded Learning Time Schools and Community Organization Partnerships](#)
- [Union and District Partnerships to Expand Learning Time](#)

Innovation

- [Leaders and Laggards: A State-by-State Report Card on Educational Innovation](#)
 - [Advancing Teacher and Principal Effectiveness: Four Recommendations for Reforming the Elementary and Secondary Education Act](#)
 - [Walking the Talk: Closing the Comparability Requirement in Title I of the Elementary and Secondary Education Act](#)
 - [Fast Track to College: Increasing Post-secondary Success for All Students](#)
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Turning Around
Low-Performing
Schools

- [Incentivizing School Turnaround: A Proposal for Reauthorizing the Elementary and Secondary Education Act](#)
- [Turning Around the Nation's Lowest-Performing Schools](#)
- [Levers for Change: Pathways for State-to-District Assistance in Underperforming School Districts](#)

Providing
Wraparound
Services

- [Maximizing the Promise of Community Schools: Streamlining Wraparound Services for ESEA](#)
- [Breaking the Mold: Combining Community Schools with Expanded Learning Time to Help Educationally Disadvantaged Students](#)
- [Promise Neighborhoods Shows Real Potential but Needs the Right Funding](#)
- [A Look at Community Schools](#)