

## Senate ESEA: Rewriting Title I Formula

Senator Burr has introduced an ESEA amendment that overhauls the Title I formula. The bill revamps the current formula structure, making six assumptions to revamp the current formulas into one singular formula. This set of changes is different than the Title I formula fight AASA has championed on the House side. That bill—All Children Are Equal (ACE) Act—focuses on ensuring that Title I dollars are targeted based on concentration of poverty, not presence of poverty. It looks at allocations within states, touching only the FIG and targeted formula, leaving basic and concentrated alone.

Here are the key takeaways from the proposed changes in the Burr re-write of the Title I formula:

- It shifts money both between and within states. Some states win, some state lose, some districts win, some districts lose. Overall, about 600 districts lose all of their Title I funding. 9,000 lose something, and 4,600 gain. At the state level, 15 states (CT, IL, LA, ME, MD, MA, MI, NE, NJ, NY, OH, PA, VA, WV and WI) lose. The cost to revamp the Title I formula under this proposal while holding schools harmless is upwards of \$970 million, and there is no guarantee that appropriators will increase Title I funding at all, let alone this amount.
- The bill shifts from state average per pupil expenditure to national per pupil expenditure. This is in large part what forces the shifting of dollars between states – away from high-spending states and toward low-spending states.
- The bill preserves number weighting, which drives the shifting of dollars both between and within states. Larger districts in states that gain due to use of statewide per pupil expenditure gain mightily, even if they are low percentage poverty districts. Larger districts that lose because they are in high-spending states lose less than smaller districts in the same states.
- It updates the quintiles, setting enrollment breaks at the very levels where one-fifth of students are enrolled. Under this change, school districts reach the top enrollment bracket at 26,000 rather than the current 35,000. This becomes problematic because it aggravates the effect of number weighting since very large districts have even more of their students weighted at the top weight.
- This proposal includes elements that reward inequitable and inadequate state funding formulas.

AASA is not taking a position on this proposal, and we have a handful of related policy proposals that could improve this bill. We applaud Senator Burr's intention to update and modernize the Title I formula and to target dollars more closely to the neediest districts. All formula fights are tough, as there are winners and losers. The need for a revamped formula trends with times of fiscal limitation; scarce dollars have a way of highlighting formula inequities.

*Please see the next page for the state-by-state impact of the proposed changes. We can also share, upon request, school-district specific impact.*