



# LIKELY EFFECTS OF PORTABILITY ON DISTRICTS' TITLE I ALLOCATIONS

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## Introduction

At the core of the federal Title I program is a bargain: a significant investment of federal dollars for disadvantaged students and a demand for significantly improved outcomes for those students in return. This brief focuses on the investment side. It examines the likely effect of the “portability” provisions currently under consideration as a part of the reauthorization of the Elementary and Secondary Education Act. We first explain current law and the proposed changes. Then we present data on the impact of these proposed changes across multiple states, focusing on how districts serving the highest concentrations of students in poverty would lose money at the expense of those districts serving the fewest.

## What Happens Under Current Law?

While it is far from perfect, the current Title I formula allocates funds in a way that generally benefits higher poverty districts within each state. On average, these districts receive more Title I dollars per student in poverty than districts with lower poverty rates. Similarly, districts are directed to allocate dollars to schools in a way that prioritizes those with the most low-income students. This approach recognizes what research has long shown — that the challenges posed by poverty are exacerbated by its concentration.<sup>1</sup> In other words, it is easier for a school or district to address the needs of students in poverty when they comprise 5 percent of the student body than when they comprise 55 percent.

## What Would the Proposed Bills Change?

Both the U.S. House and Senate bills — the Student Success Act and the Every Student Ready for College or Career Act, respectively — introduce a provision known as Title I portability. This provision allows states to give each district and school the same amount of funding per low-income student regardless of their overall poverty rate, which ignores the effects of concentrated poverty. Under current law, higher poverty districts and schools generally receive more Title I funds per low-income students, but under portability this would no longer be the case.

While we cannot analyze the effects that portability would have on school-level Title I funding (see “School-Level Implications of Portability” for challenges posed by data availability), we can analyze its impacts on district-level allocations. And our analysis shows that under portability, the highest poverty districts are likely to lose a substantial share of their Title I funds, while the lowest poverty districts — the ones with the lowest levels of need — are likely to gain funding.

### School-Level Implications of Portability

In addition to allowing states to give districts the same amount of funding per low-income student regardless of their poverty rate, the portability provision directs districts to distribute dollars to schools in the same way. We suspect that this provision will result in reduced funding for the highest poverty schools — in other words, that it will affect schools similarly to the way it affects districts — but we do not have the data necessary to test this out. That is because right now, there is no publicly available data on the number of students in poverty by school. In fact, in at least some districts, the portability provision will likely require additional data collection, introducing a new administrative burden.

## What We Did

To understand how portability is likely to affect district funding, we estimated Title I allocations under this provision for all districts in 19 states that reflect the geographic and demographic diversity of states across the country. We then compared districts' estimated allocations under portability to their actual allocations in the 2014 school year to see how

much each district was likely to gain or lose. Finally, we looked at the relationship between changes in districts' Title I funds and the percent of students in poverty that they serve to see how portability is likely to affect funding of the highest poverty and the lowest poverty districts. (For a detailed description of our methodology, please see the methodology sidebar below.)

### Our Methodology

#### ***Calculating changes in each district's Title I allocations***

To estimate likely changes in districts' Title I allocations under portability, we obtained the U.S. Department of Education's files on Revised ESEA Title I LEA Allocations—FY 2014 for 19 states that reflect the geographic and demographic diversity of states across the country.<sup>2</sup> These files contain Title I allocations for every district for the 2014 school year. We matched these files with 2012 Census data on the *total number of 5-to-17-year-olds and 5-to-17-year-olds in poverty* in each district, as well as 2012 Census data on each district's public school enrollment.<sup>3</sup> While the allocation and demographic data are from slightly different years, this lag is not unusual. In fact, Title I allocations are always based on poverty data that lags by a couple of years.

To estimate the number of students in poverty enrolled in public schools (the basis for Title I allocations under portability), we calculated the percent of 5-to-17-year-olds in poverty in each district and multiplied that percentage by total public school enrollment. We then summed total Title I allocations for each state and divided them by the total number of students in poverty enrolled in the state's public schools. This gave us the amount of Title I dollars per low-income student available in each state. To calculate each district's predicted Title I allocation under portability, we multiplied the count of enrolled students in poverty in a given district by the amount of Title I dollars per low-income student for that district's state.

Finally, we estimated the percent change in Title I allocations as follows:  $(\text{Portability Allocation} - \text{Current Allocation}) / \text{Current Allocation}$ .

#### ***Looking across high-poverty and low-poverty districts***

In addition to looking at the change in allocations in each district, we gauged how allocations were likely to change across districts serving the most and the fewest students in poverty. To do this, we sorted all districts in each state by percent of children in poverty and divided them into four groups (quartiles) so that each group included approximately the same number of students. We then summed the total *actual allocations* for each quartile and the total *predicted allocations* under portability. Finally, we calculated the percent difference between actual allocations and predicted allocations under portability for each quartile.

#### ***Data Caveats***

While we use the best available data to estimate the likely impact of portability on districts' Title I funding, there are a few data caveats to keep in mind. The first is that our calculations don't include any adjustments that states make to Title I allocations. This includes reservations for administration and school improvement, as well as allocations to charter schools and private schools.

In addition, we had to drop a small number of districts because they were missing enrollment or poverty data, or showed zero enrollment in the Census files. As a result, the total amount of Title I funds available to a state in our analysis is slightly smaller than the actual amount allocated.

Finally, for some districts, public school enrollment figures in the Census school finance files look very different from the total population data in the Census poverty file. These differences may arise from data accuracy issues (e.g., the Census poverty estimates may capture a somewhat different geographic area than the one the district covers); or they may reflect high levels of private or charter school enrollment, neither of which are reflected in the public school enrollment figures. While this could lead to some inaccuracy in estimates for any particular school district, the general trends that we see in the analysis are unlikely to be affected.

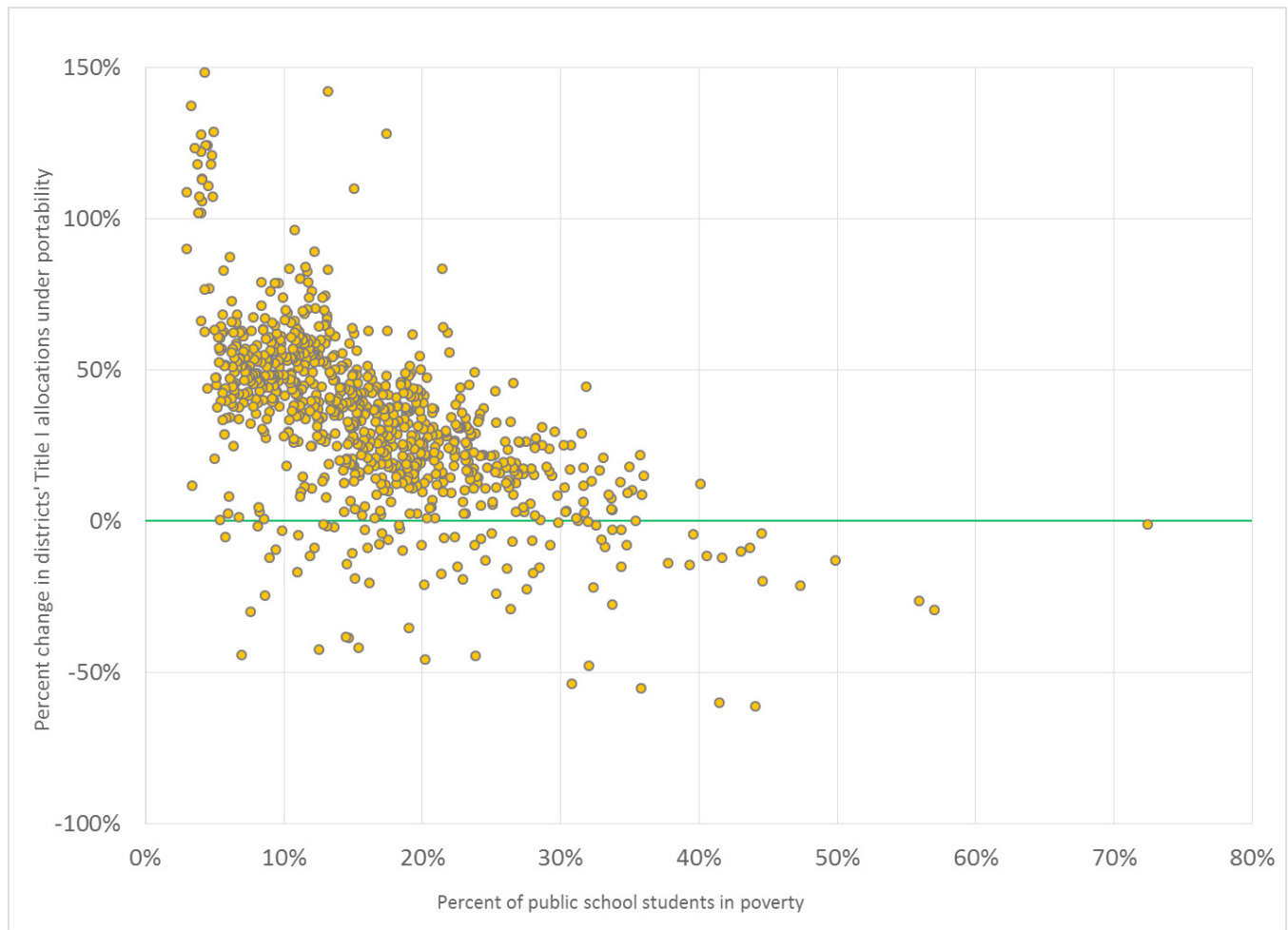
### What the Data Show

The data show that, under portability, the highest poverty districts are likely to lose Title I dollars, while lower poverty districts are likely to gain them in every state in our analysis.

For example, Figure 1 shows the relationship between the percent of students in poverty in Illinois' districts and how those districts' Title I allocations are likely to change under portability. Figure 2 shows the same relationship in Connecticut.

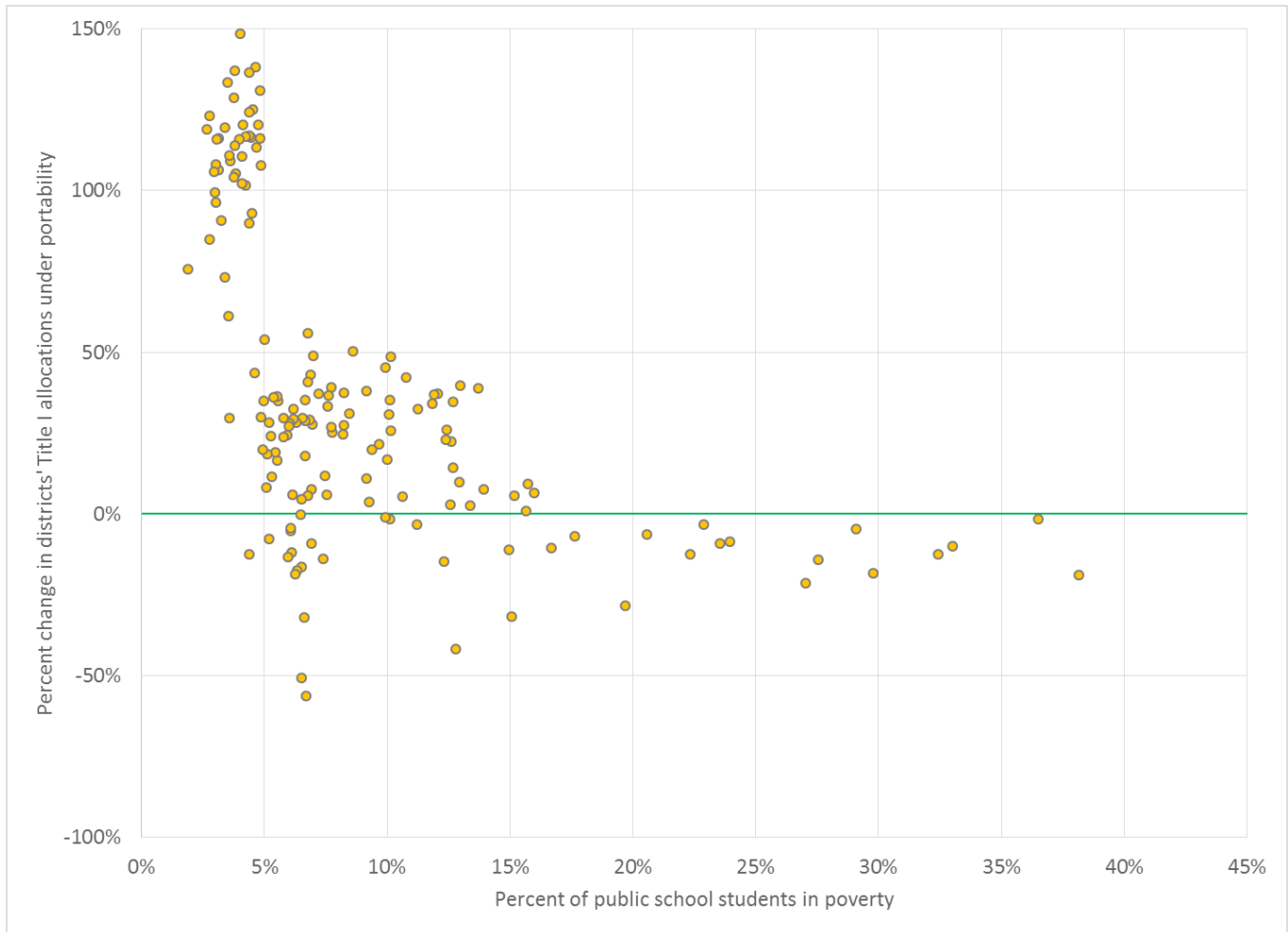
In each chart, every point represents a school district. The further to the right a district appears, the higher its poverty rate; the further to the left, the lower. The closer to the top of the chart a district appears, the more funding it is likely to gain under portability; the closer to the bottom, the more it is likely to lose. Districts above the green horizontal line are likely to gain funds under the portability option, while those below the green horizontal line are likely to lose funds.

**Figure 1: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability in Illinois**



Note: Scatterplot excludes a small number of districts with very large revenue gains that are likely the result of data inaccuracies.

**Figure 2: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability in Connecticut**



Note: Scatterplot excludes a small number of districts with very large revenue gains that are likely the result of data inaccuracies.

In both Illinois and Connecticut, districts with lower poverty rates are especially likely to gain funding under the portability option — and often, substantially so. Districts with the highest levels of poverty, however, are far more likely to lose funds. Allocation changes in other states — shown in Figures A1-A17 in Appendix A — show similar patterns.

Those same patterns are also visible in Figure 3, which presents estimated changes in allocations for groups of districts at different levels of poverty within each state. While the magnitude of these changes varies, the highest poverty districts lose funding while the lowest poverty districts gain in nearly all of the states in our analysis.

**Figure 3: Estimated Change in Title I Allocations Under Portability for Districts at Different Levels of Poverty**

	Highest Poverty Quartile	Second Highest Poverty Quartile	Second Lowest Poverty Quartile	Lowest Poverty Quartile
CA	-13%	4%	9%	37%
CO	-13%	8%	9%	35%
CT	-13%	12%	22%	102%
GA	-6%	4%	5%	1%
IL	-19%	12%	32%	51%
KS	-16%	12%	20%	34%
MA	-16%	15%	34%	74%
ME	-6%	-6%	11%	18%
MN	-19%	16%	24%	53%
MT	-13%	6%	14%	16%
ND	-19%	16%	19%	17%
PA	-21%	24%	47%	56%
RI	-17%	9%	42%	48%
TN	-3%	-1%	0%	13%
TX	-11%	3%	10%	25%
VA	-4%	2%	11%	-2%
WA	-6%	0%	0%	23%
WI	-21%	17%	35%	52%
WV	-2%	1%	-2%	7%

Reading this table: The highest poverty districts in California are likely to receive about 13 percent less under portability than they do currently.

## Conclusion

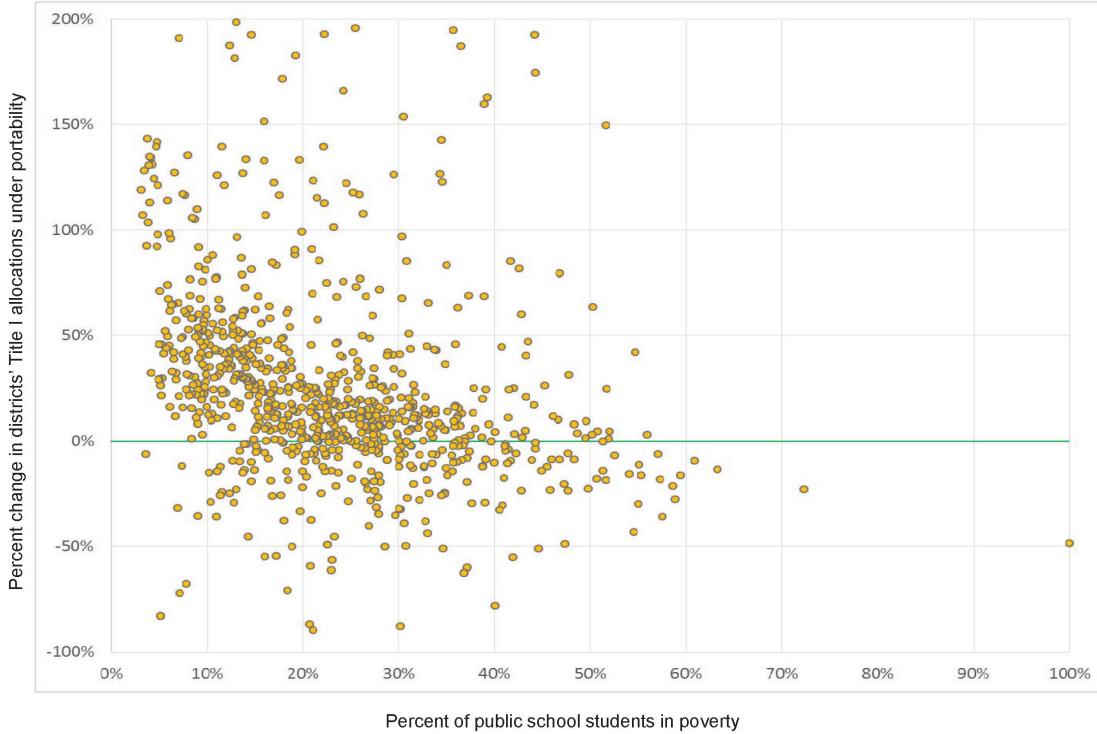
While the sizes of the effects vary from state to state, the portability provisions in both the Every Student Ready for College or Career Act proposed by Chairman Lamar Alexander (R-Tenn.) and the Student Success Act introduced by Chairman John Klein (R-Minn.) would allow states to direct dollars away from districts and schools serving the largest concentrations of students in poverty. Yes, the idea of Title I dollars following every low-income student, regardless of which public school or district they attend, is intuitively appealing. But these proposals will result in taking Title I funds away from the highest poverty districts and schools and giving that money to more affluent — and lower need — districts and schools.

## EndNotes

1. See, for example, Judith Anderson, Debra Hollinger, and Joseph Conaty, "Poverty and Achievement: Re-examining the Relationship Between School Poverty and Student Achievement," Paper presented at the annual meeting of the American Educational Research Association, 1992, <http://files.eric.ed.gov/fulltext/ED346207.pdf>; Margery Austin Turner and Lynette Rawlings, "Overcoming Concentrated Poverty and Isolation: Lessons from Three HUD Demonstration Initiatives, 2005, [http://www.urban.org/UploadedPDF/311205\\_Poverty\\_FR.pdf](http://www.urban.org/UploadedPDF/311205_Poverty_FR.pdf); and Consortium on Chicago School Research, "Truly Disadvantaged Schools," 2010, [http://ccsr.uchicago.edu/downloads/3767trulydisadvantaged\\_onepager\\_final-2.pdf](http://ccsr.uchicago.edu/downloads/3767trulydisadvantaged_onepager_final-2.pdf).
2. U.S. Department of Education, "Revised ESEA Title I LEA Allocations—FY 2014," <http://www2.ed.gov/about/overview/budget/titlei/fy14/index.html>.
3. U.S. Census Bureau, Small Area Income and Poverty Estimates by School District, 2012, <http://www.census.gov/did/www/saipe/data/schools/data/index.html>. U.S. Census Bureau, Public Elementary–Secondary Education Finance Data, 2012, <http://www.census.gov/govs/school/>.

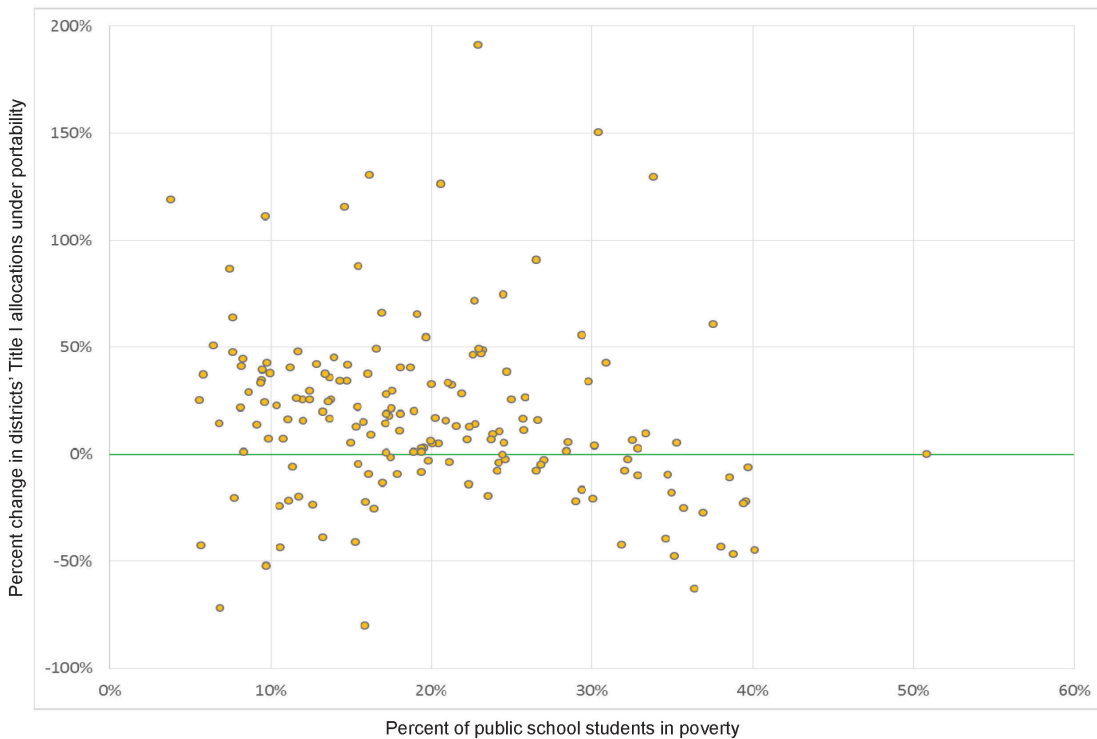
# Appendix A

**Figure A1: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: California**



Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

**Figure A2: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Colorado**

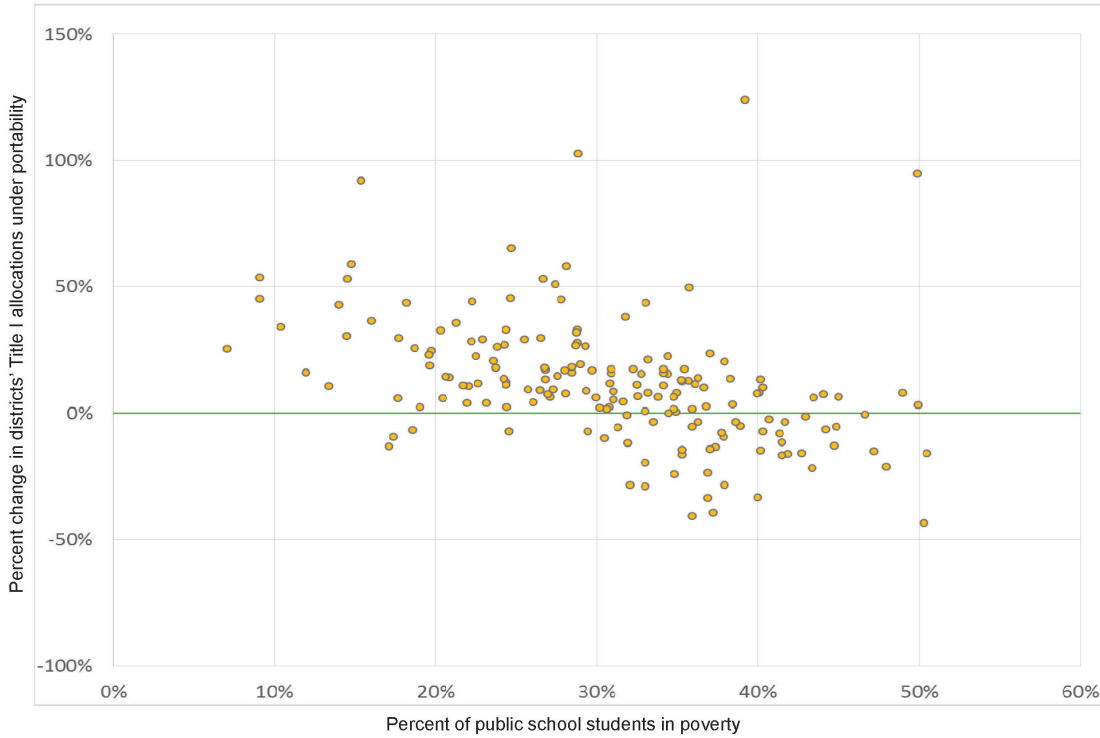


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# Likely Effects Of Portability On Districts' Title I Allocations

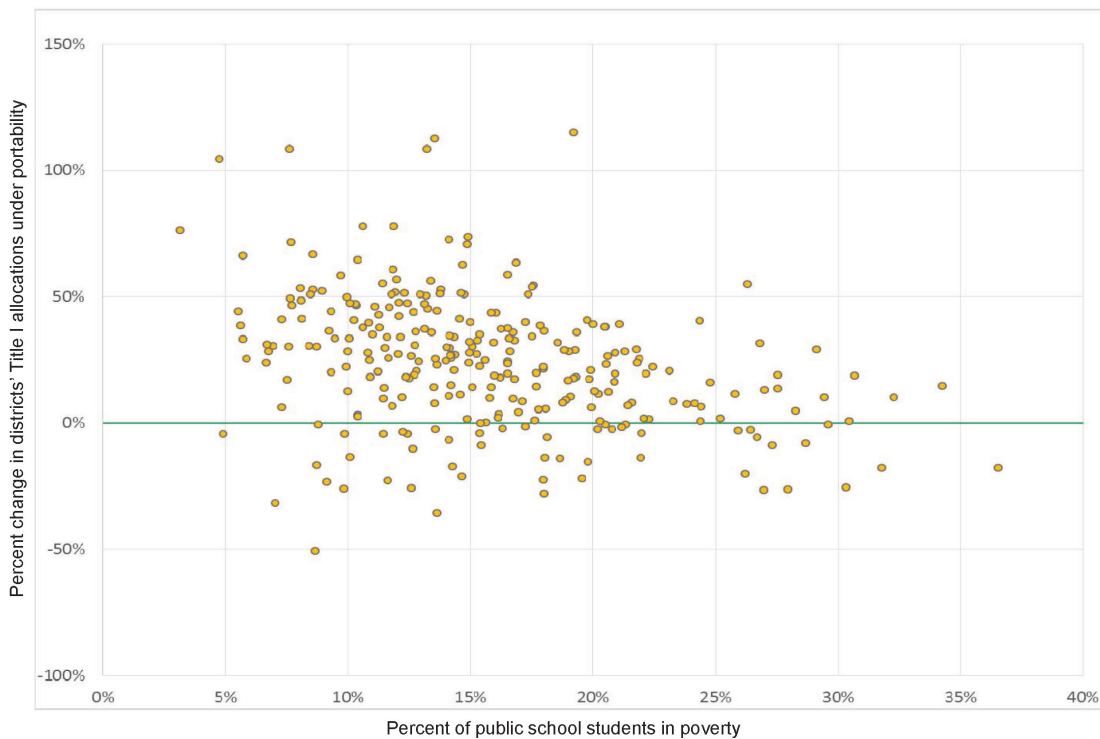
FEBRUARY 2015 | PG. 7

**Figure A3: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Georgia**



Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

**Figure A4: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Kansas**

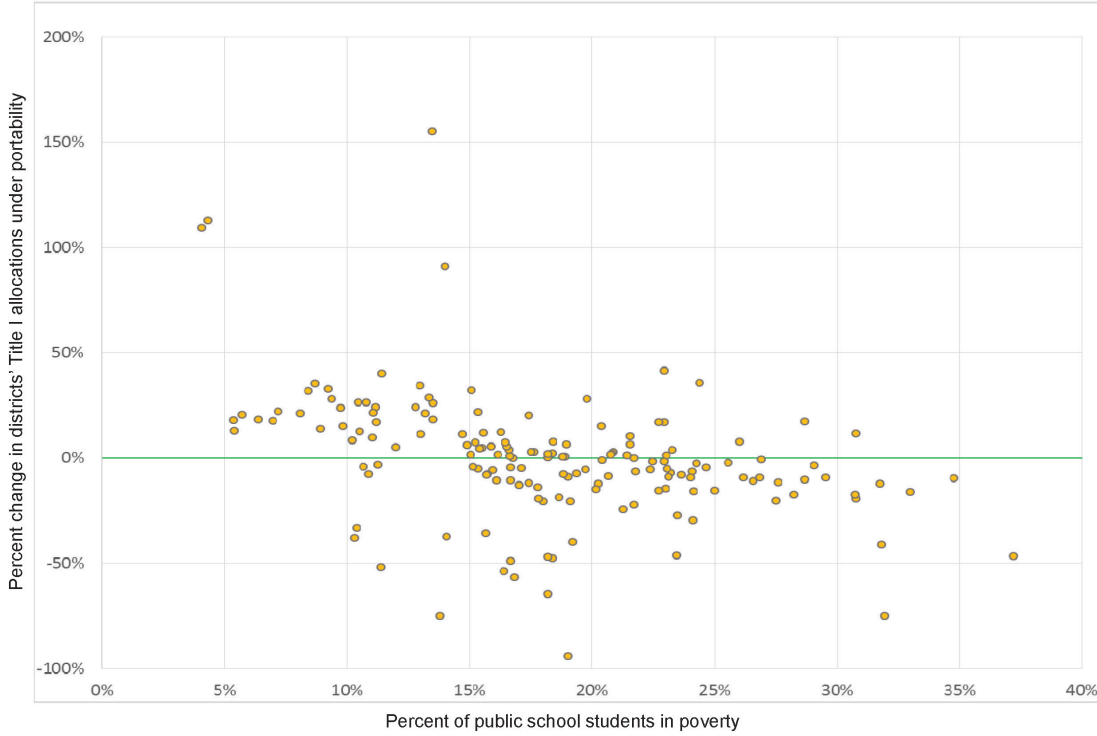


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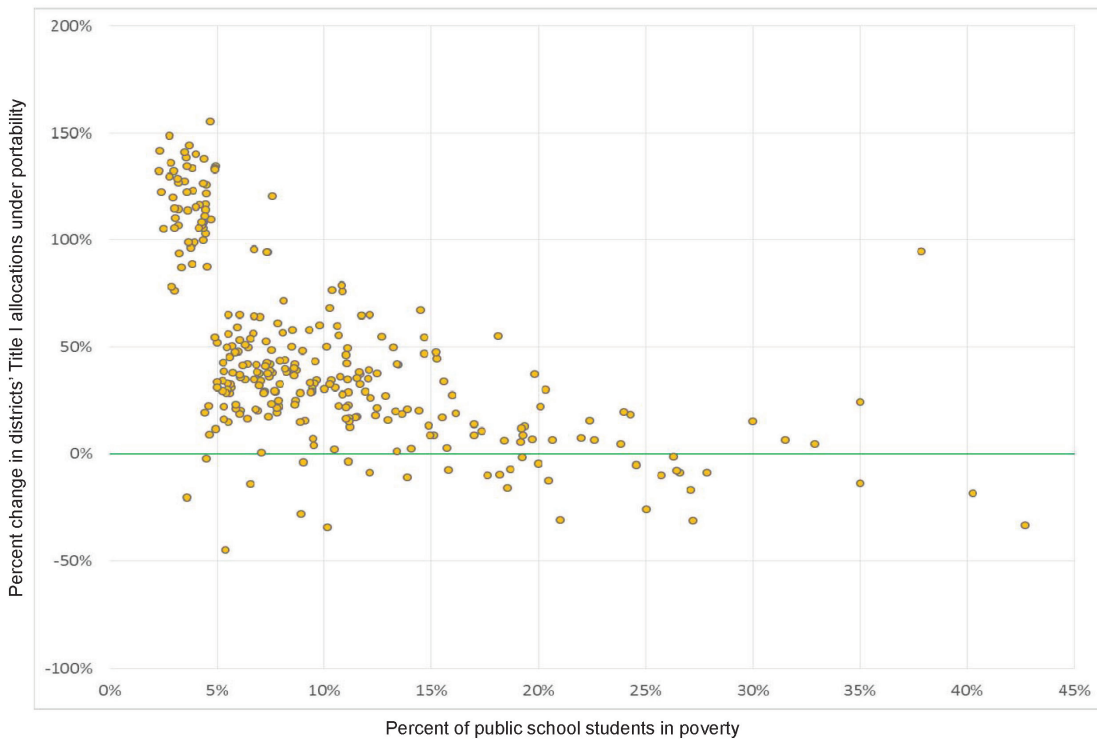
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**Figure A5: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Maine**



Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

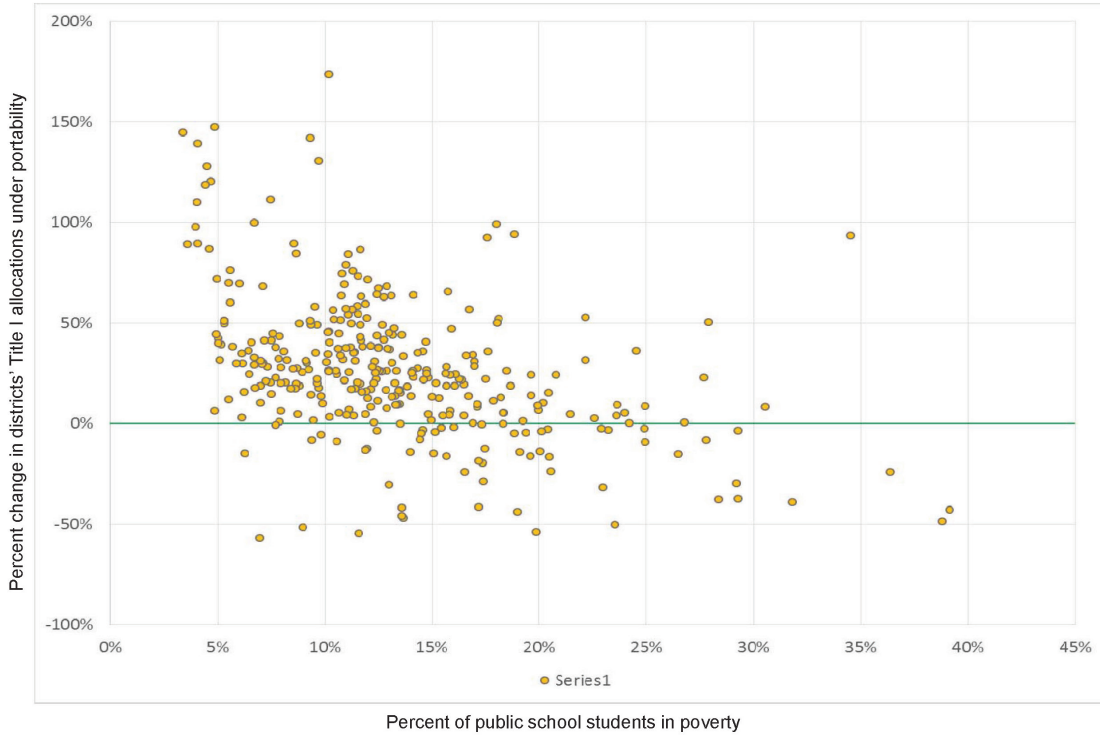
**Figure A6: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Massachusetts**



Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

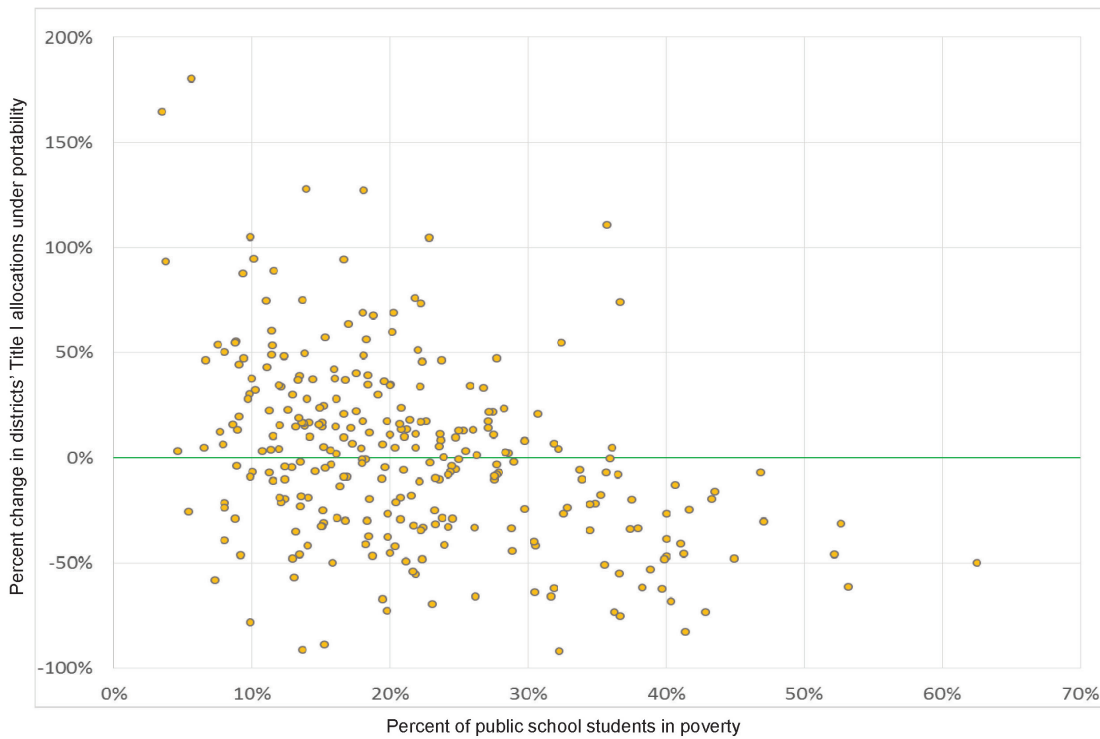


Figure A7: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Minnesota



Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

Figure A8: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Montana

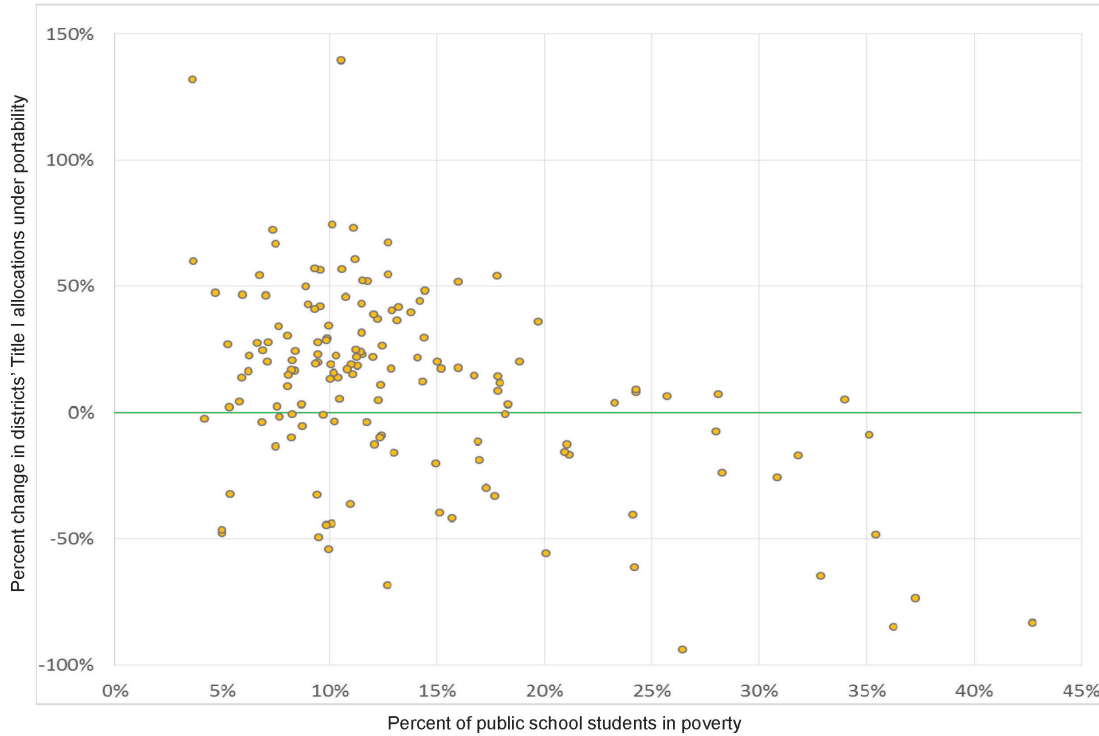


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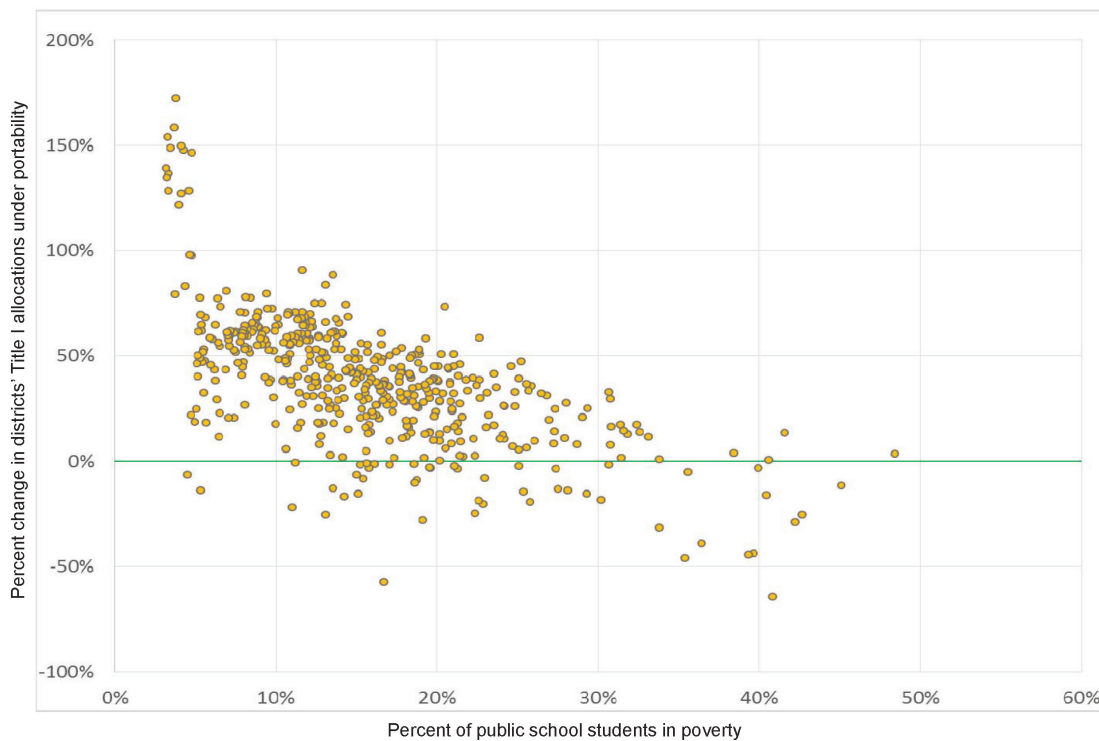
FEBRUARY 2015 | PG. 10

**Figure A9: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: North Dakota**



Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

**Figure A10: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Pennsylvania**

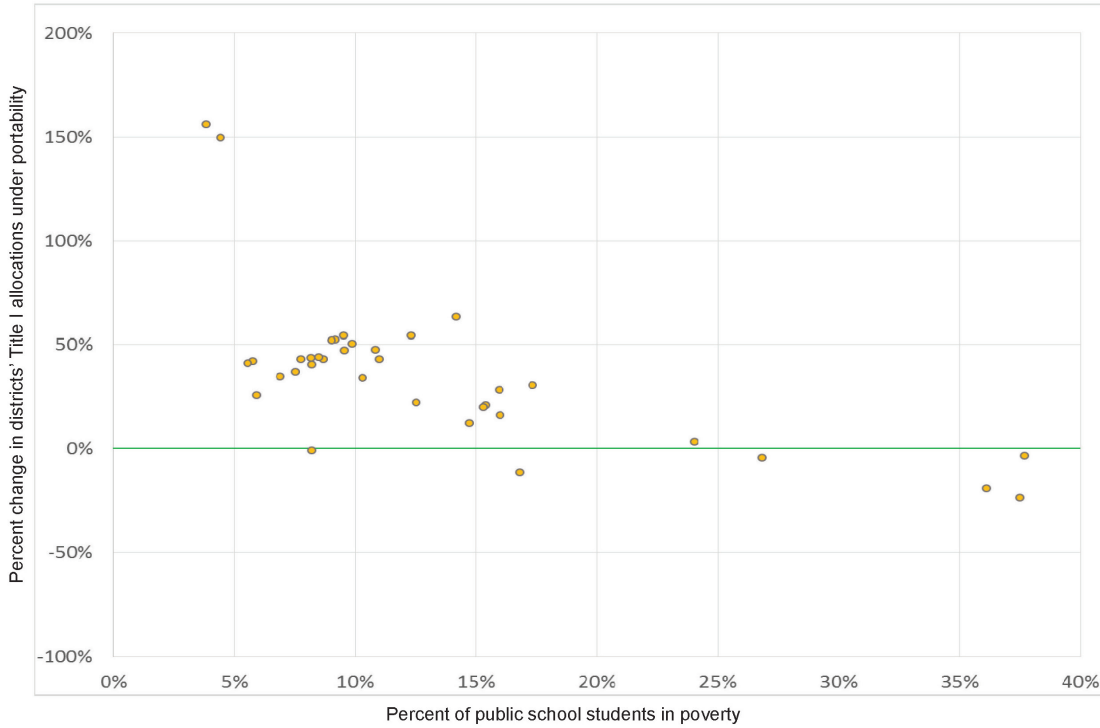


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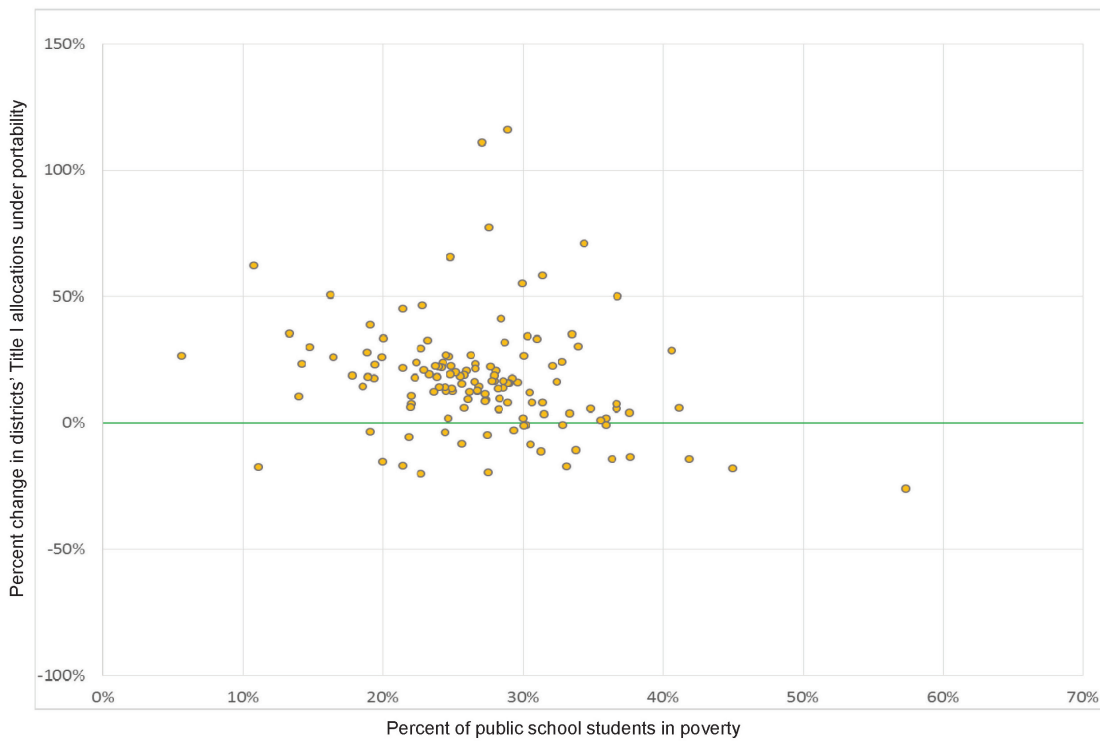
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**Figure A11: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Rhode Island**



Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

**Figure A12: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Tennessee**

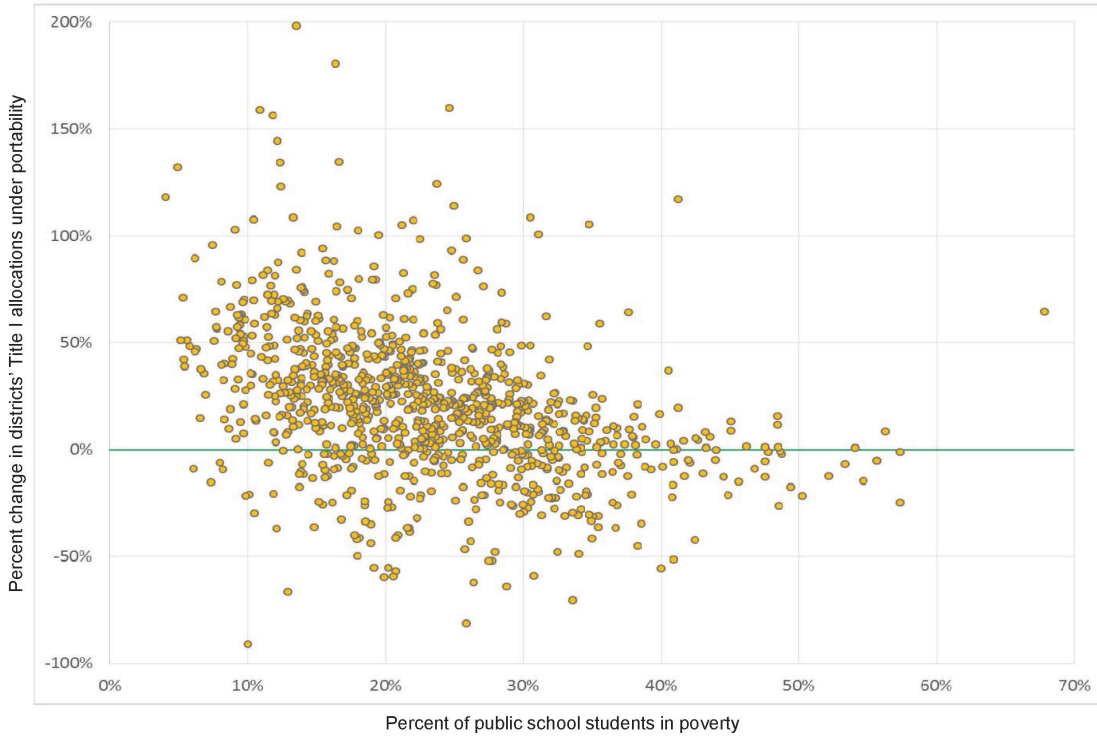


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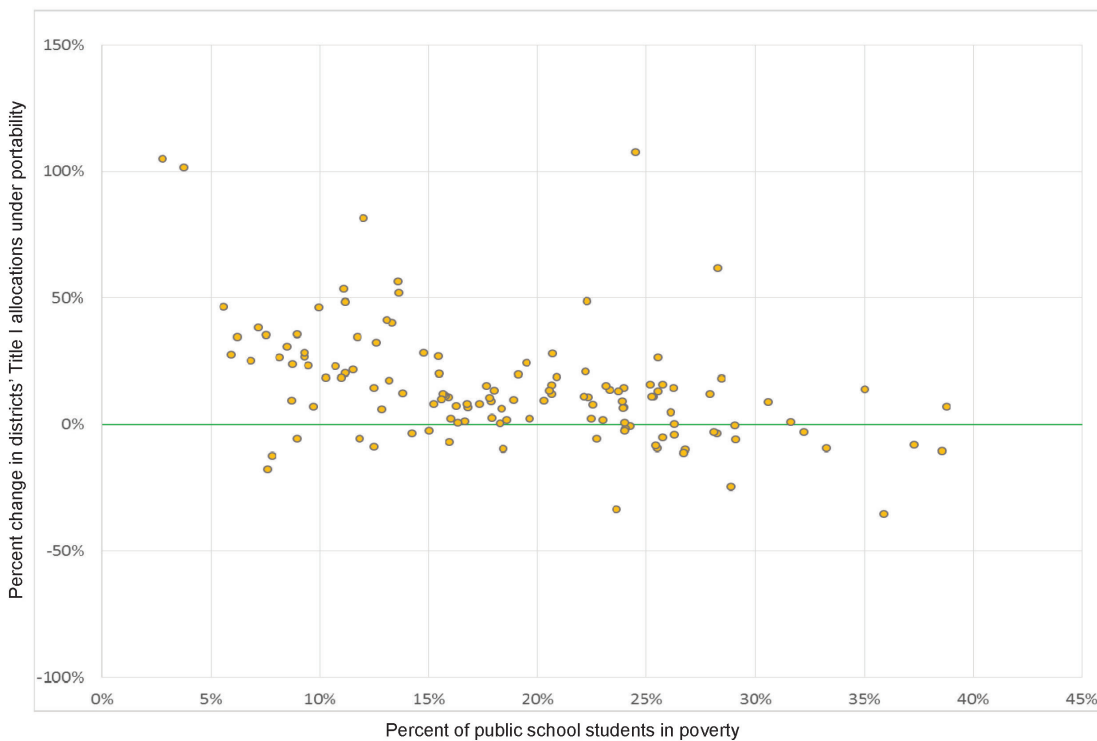
FEBRUARY 2015 | PG. 12

**Figure A13: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Texas**



Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

**Figure A14: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Virginia**

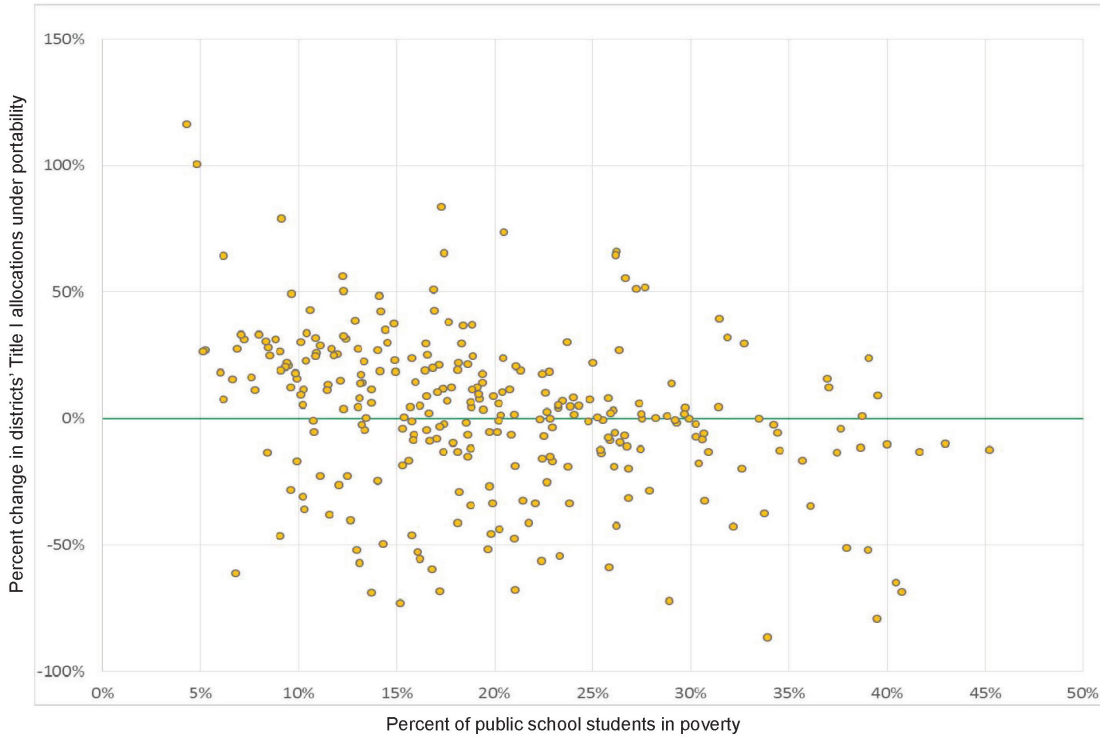


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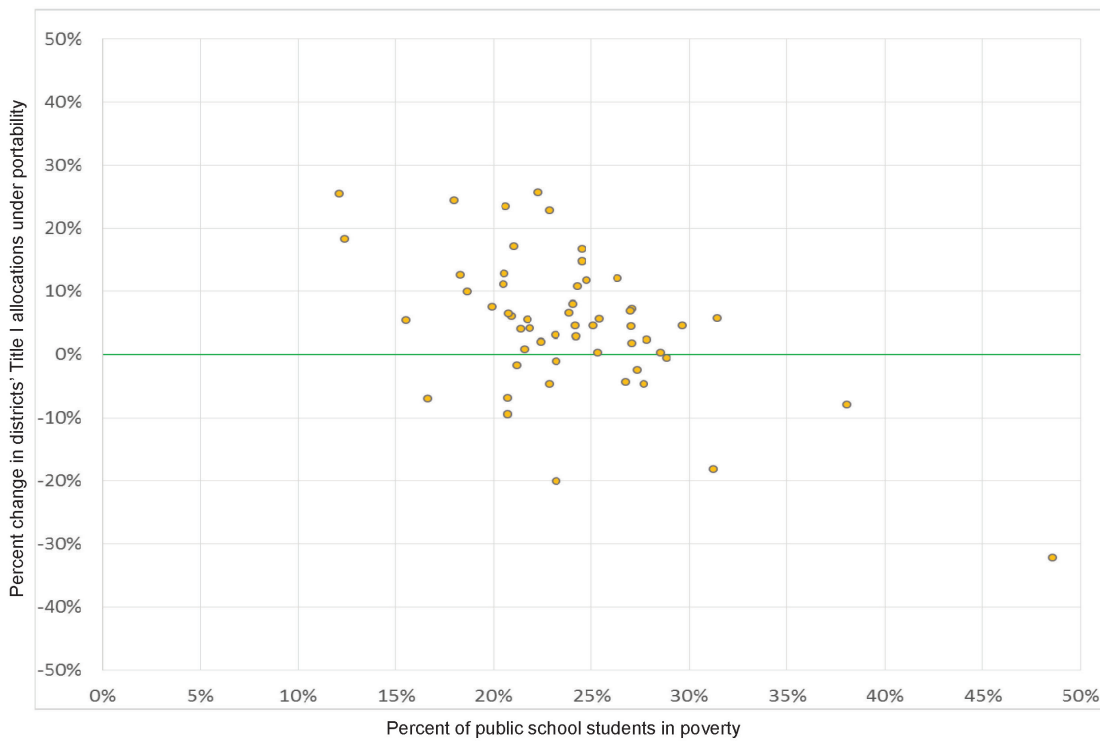
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**Figure A15: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Washington**



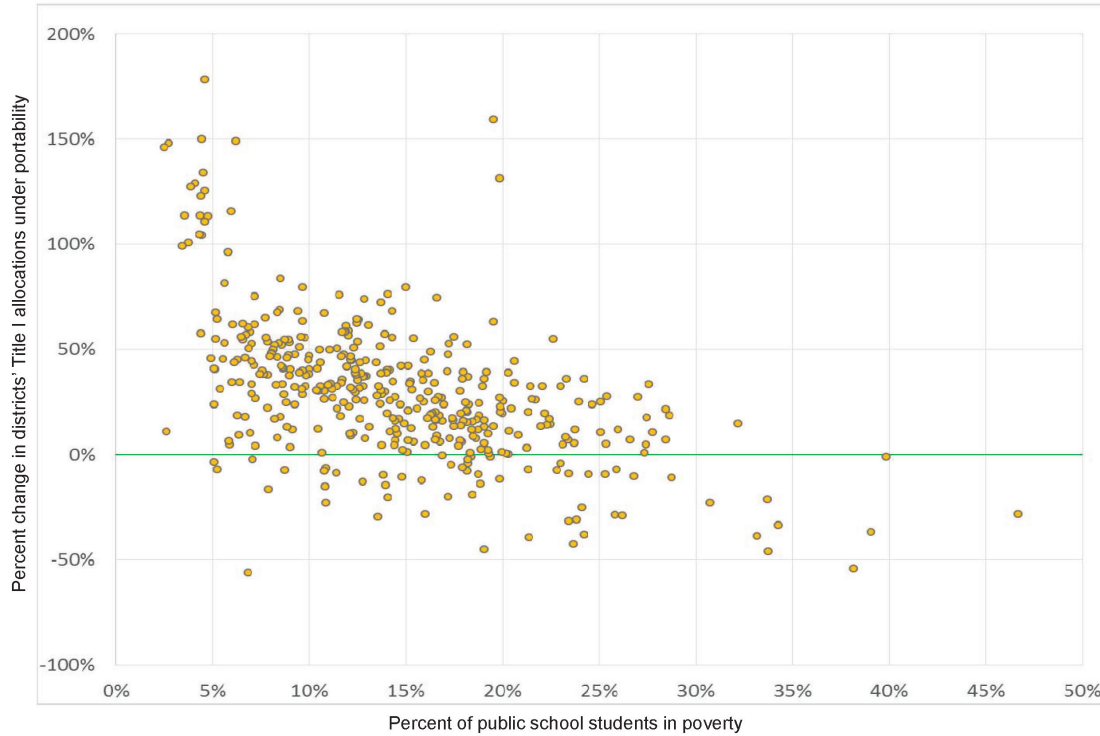
Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

**Figure A16: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: West Virginia**



Note: Scatter plot excludes small number of districts with very large revenue gains that are likely the result of data inaccuracies.

Figure A17: District Poverty Rates and Predicted Changes in Title I Allocations Under Portability: Wisconsin



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The Education Trust