Council of the Great City Schools
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July 16, 2013

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative:

The Council of the Great City Schools, the coalition of the nation's largest central city school districts, opposes the pending Elementary and Secondary Education Act (ESEA) reauthorization bill, H.R. 5. Although the Committee made an effort to streamline and simplify this overly prescriptive federal statute, H.R. 5 contains numerous fundamental problems that adversely impact the Great City Schools and the disadvantaged students nationwide who rely on these critical programs.

The reauthorization bill repeals the "maintenance of effort" provisions of the Act – a cornerstone of federal education aid. By eliminating maintenance of effort requirements, states are free to cut their own state education expenditures without creating a federal compliance violation. ESEA funds, in effect, could become merely an offset against state school aid reductions without providing the additional benefits that federal education aid is designed to impart. Offsets with ARRA Stabilization funds and more recent reductions in state special education funding provide classic examples of states cutting school funding and backfilling with federal funds when the traditional maintenance of effort requirements are not in place or are ignored. Moreover, "supplement not supplant" provisions will not prevent such reductions in state aid. The repeal of maintenance of effort provisions alone justifies opposition to this ESEA reauthorization bill.

The Council also strongly opposes a proposed amendment by Representative Glenn Thompson to change the Title I funding formula. The formula change would reduce funding for the school districts enrolling the greatest numbers of children in poverty, reducing Title I funding for approximately 7% of the nation's school districts by more than $1 billion during the four-year phase-down period. Perversely, some 87% of Title I-eligible school districts with "single digit" poverty rates would be among the beneficiaries of the formula change. Moreover, the $1 billion reduction in Title I funds would fall on less than 1000 school districts nationwide that serve 54% of the nation's African-American students, 55% of the nation's Hispanic students, and 50% of the nation's census poverty students. The adverse educational impact of this major reduction in funding for such a large segment of disadvantaged and minority students warrants House opposition to the Thompson amendment.

In addition to the potential loss of state education aid and redistribution of Title I funds as explained above, H.R. 5 would freeze overall ESEA funding for the <u>remainder of the decade</u> at this past school year's level for Title I and at the sequestration level for the other ESEA programs.

Another adverse financial impact for school districts with high concentrations of children in poverty will result from the two Title I funding "portability" amendments proposed by Reps. Cantor and Bishop. Often overlooked under a state "portability" option is the major shift in Title I funds in States that opt to eliminate all additional Title I funding based on concentrations or weightings for high numbers and percentages of poor children, and instead redistribute all Title I funds statewide under a single per pupil allocation for eligible students to the school district and school levels. In short, all four Title I funding distribution formulas in current law are eliminated under the state "portability" option. In addition, under the Bishop (Utah) amendment even more Title I funds will be shifted to private schools under a voucher-like private school "portability" option. The fact that states and school districts do not have child eligibility data on enrolled students in public and private school under the census poverty criteria also makes these portability amendments impractical to implement, in addition to their adverse financial impact on high poverty public schools.

Moreover, H.R. 5 undercuts other key principles of ESEA. It allows funds generated by specific groups of students to be spent on other students under the "alternative uses" authority in section 1002. Funds allocated for English learners or Native American students, for example, could be used for activities unrelated to meeting their educational needs. H.R. 5 would allow schools to spend Title I funds targeted to disadvantaged students on non-disadvantaged students without the current "schoolwide" requirement of a high concentration of poverty. H.R. 5 also provides no clear linkage between the academic performance of traditional (sub)groups of students and the accountability, intervention, and improvement actions that should follow. State NCLB waiver programs demonstrate that states continue to try to evade accountability for critically low-performing student (sub)groups – low-income, racial and ethnic minorities, English learners, and students with disabilities. In delegating even more discretion to state agencies than under the current NCLB waiver process, the bill will erode the essential ESEA focus on disadvantaged children and the schools they attend.

Finally, H.R. 5 also reduces local school district formula grants by over three-quarters of a billion dollars annually by increasing the state set-aside under section 1003 of the Title I program by 150 percent. Additionally, the Council cannot support the creation of a $2 billion block grant for state departments of education in Title III-B, which would provide nearly unfettered discretion to states over how these funds will be used and which schools and districts will or will not receive a grant. And, the bill contains a significant reduction in the proportion of Title II funds allocated to states and school districts on the basis of student poverty, thereby diverting sizeable amounts of federal funds away from the neediest students.

The Council of the Great City Schools, therefore, requests a NO vote on the pending ESEA reauthorization bill, H.R. 5, as well as a NO vote on any ESEA funding formula amendment or private school subsidy amendment.

Sincerely,

Michael D Casserly

Michael Casserly
Executive Director