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ABSTRACT
          This review and comparison of census data on the
distribution among states of school-age children in poor families for
1990 and 1980 explores implications in the changes for Chapter 1
funding and administration. Numbers of school-age children in poor
families represent the primary factor in the allocation of most funds
under the federal Elementary and Secondary Education Act. The U.S.
Department of Education has announced that it would base Chapter 1
grants for 1992-93 on the 1980 census data, while the 1990 data would
be used for 1993-94 grants. While the aggregate number of poor
school-age children in the 50 states and the District of Columbia was
found to have increased by 6 percent between 1980 and 1990, the
change in the number of such children in individual states ranged
from a decrease of 37.8 percent to an increase of 57.4 percent. If
other relevant factors remain unchanged, this would lead to large
shifts in Chapter 1 grants among local educational agencies, states
and regions when the 1990 data are used in the Chapter 1 allocation
formulas. The shifts in state's shares of children from poor families
may reflect at least three patterns of demographic and economic
change. First, there has been a general shift in population toward
the South and West, including significant declines in school-age
population in some eastern states. Second, relatively large-scale
immigration may have increased the population of poor families with
children in some states. Third, these data are based on family income
for 1989 when areas such as Texas, Oklahoma, the upper Midwest and
the Rocky Mountain states were in economic distress, but the recent
economic recession had not yet hit the eastern states as it would in
1990 and 1991. Eight footnotes are included. (JB)

CRS Report for Congress

The Distribution Among the States of School-Age Children in Poor Families, 1990 Versus 1980: Implications for Chapter 1

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SUMMARY

On May 29, 1992, the U.S. Bureau of the Census released data from the 1990 census on the number of school age (5-17 years) children living in poor families for U.S. States and counties. Numbers of school age children in poor families are the primary factor in the allocation of most funds under the Federal program of aid for the education of disadvantaged children--chapter 1 of title I, Elementary and Secondary Education Act (ESEA). The U.S. Department of Education (ED) had earlier announced that it would base chapter 1 grants for 1992-93 on the 1980 census data; the 1990 data would be used for 1993-94 grants. While the aggregate number of poor school-age children in the 50 States and the District of Columbia was found to have increased by 6.0 percent between 1980 and 1990, the change in the number of such children in individual States ranged from a decrease of 37.8 percent to an increase of 57.4 percent. If other relevant factors remain unchanged, this would lead to large shifts in chapter 1 grants among local educational agencies (LEAs), States and regions when the 1990 data are used in the chapter 1 allocation formulas.

Chapter 1 Formulas

Chapter 1 LEA grants, funded for FY 1992 at $6,235,000,000, are allocated in proportion to numbers of school age children from poor families--plus two smaller population groups[1]--multiplied by a State cost factor.[2] While the other formula factors are updated annually, the counts of children from poor families can be updated only when decennial census data become available. Thus, when

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[1]These are: (1) children in families receiving Aid to Families with Dependent Children (AFDC) payments above the poverty level for a family of four, and (2) certain neglected and delinquent children. Together, these constitute only about 4 percent of all children counted in the chapter 1 LEA grant formula.

[2]The cost factor for the 50 States plus D.C. is 40 percent of the State average per pupil expenditure for public elementary and secondary education, with limits of 80 and 120 percent of the national average.

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new census data are compiled, their application in the chapter 1 formula may result in substantial changes in allocation shares among States and LEAs.

Table 1 illustrates, at the **State** level,[3] the number of poor school age children according to both the 1980 and 1990 census, and the percentage change in the number of these children between 1980 and 1990. Further, the table and the following map show each State's percentage change in share of the national total number of such children between 1980 and 1990.[4] For example, Alabama had 2.771 percent of all poor school age children in the 50 States plus the District of Columbia in 1980 and 2.358 percent in 1990; this is a decline of 0.413 percentage points, or 14.9 percent. Assuming chapter 1 is not fully funded,[5] it is the latter figure that best indicates the direction of change in State allocation shares when 1990 census data are used in the chapter 1 formulas, assuming that the formula is not revised. For example, as 1990 data are applied to the chapter 1 LEA grant formulas over 2-3 years,[6] if the formulas and other formula factors remain unchanged, the share of funds going to Alabama would decrease by approximately 15 percent, and those to California would increase by approximately 30 percent.

It is not currently possible to precisely estimate specific allocations under chapter 1 if the 1990 census data were used, due primarily to the lack of relevant data for Puerto Rico (see footnote 4) and unresolved technical problems arising from several county boundary changes between 1980 and 1990. As noted earlier, ED has announced that chapter 1 grants for the 1992-93 school year, which will be distributed beginning on July 1, 1992, will be based on **1980** Census data, with the 1990 data being applied beginning in 1993-94, and grant notices based on the 1980 data have been sent to the States. The U.S. Secretary of Education had earlier indicated a preference for using the 1990 data to make 1992-93 grants, but decided to use the older data to avoid delays and the resulting difficulties in State and local planning for the upcoming school year.

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[3]Chapter 1 grants are made to LEAs via State education agencies (SEAs). Since the formula data have never been available at the LEA level (they may be compiled later from the 1990 census), the Federal Government calculates grants on county basis. In most States there are multiple LEAs per county, and the SEAs allocate county amounts using information available to them on the distribution of poor school-age children among the LEAs in each county.

[4]Note that the data in the table and map do not include Puerto Rico, which is treated largely as a State in the chapter 1 formulas. The relevant Puerto Rico data from the 1990 census are not yet available. Puerto Rico data could significantly affect grants not only to that jurisdiction but also to the States.

[5]The current funding level is less than one-half of the authorized amount.

[6]Even if there is no change to the formulas, the full effect of population shifts would not be felt immediately because of a "hold harmless" provision for chapter 1 basic grants, that no LEA may receive less than 85 percent of its grant for the previous year. This limits immediate grant decreases, and indirectly limits increases for areas with increasing population shares by shifting funds from them to pay for the hold harmless in areas with falling population shares.

| TABLE 1. State Numbers and Shares of Poor School Age Children, 1980 and 1990				
State	Number of poor school age children, 1990 census	Number of poor school age children, 1980 census	Percentage change in **number** of poor school-age children, 1990 minus 1980	Percentage change in **share of the national total** of poor school age children, 1990 minus 1980
Alabama	177,908	197,293	-9.8%	-14.9%
Alaska	10,887	10,140	7.4	2.3
Arizona	136,177	89,400	52.3	43.8
Arkansas	106,675	110,779	-3.7	-9.1
California	894,202	647,040	38.2	30.4
Colorado	81,787	62,352	31.2	23.8
Connecticut	50,309	65,286	-22.9	-27.3
Delaware	12,327	17,981	-31.4	-35.3
District of Columbia	18,355	27,862	-34.1	-37.8
Florida	343,642	323,890	6.1	0.1
Georgia	228,344	248,422	-8.1	-13.2
Hawaii	20,303	22,639	-10.3	-15.4
Idaho	32,064	27,951	14.7	8.3
Illinois	327,904	335,021	-2.1	-7.6
Indiana	132,403	129,587	2.2	-3.6
Iowa	65,066	64,377	1.1	-4.6
Kansas	59,370	49,035	21.1	14.3
Kentucky	160,547	165,634	-3.1	-8.5
Louisiana	267,035	220,160	21.3	14.5
Maine	26,703	6,015	-25.9	-30.0
Maryland	82,451	103,938	-20.7	-25.1
Massachusetts	112,193	140,328	-20.0	-24.5
Michigan	287,678	252,874	13.8	7.4
Minnesota	93,010	80,625	15.4	8.9
Mississippi	177,433	179,514	-1.2	-6.7
Missouri	150,289	138,627	8.4	2.3
Montana	29,257	20,906	39.9	32.1
Nebraska	36,560	36,935	-1.0	-6.6
Nevada	22,931	14,494	58.2	49.3

TABLE 1. State Numbers and Shares of Poor School Age Children, 1980 and 1990				
State	Number of poor school age children, 1990 census	Number of poor school age children, 1980 census	Percentage change in **number** of poor school-age children, 1990 minus 1980	Percentage change in **share of the national total** of poor school age children, 1990 minus 1980
New Hampshire	12,094	17,130	-29.4	-33.4
New Jersey	134,093	202,592	-33.8	-37.5
New Mexico	82,713	64,375	28.5	18.0
New York	530,668	625,160	-15.1	-19.9
North Carolina	180,305	220,162	-18.1	-22.7
North Dakota	19,892	18,831	5.6	-0.3
Ohio	321,349	276,913	16.0	9.5
Oklahoma	119,464	91,782	30.2	22.8
Oregon	67,586	54,816	23.3	16.4
Pennsylvania	283,919	309,115	-8.2	-13.3
Rhode Island	19,208	23,195	-17.2	-21.8
South Carolina	130,600	142,975	-8.7	-13.8
South Dakota	26,474	28,154	-6.0	-11.2
Tennessee	168,816	192,903	-12.5	-17.4
Texas	791,190	568,132	39.3	31.4
Utah	48,940	33,435	·.4	38.2
Vermont	10,659	13,940	-23.5	-27.8
Virginia	129,123	157,111	-17.8	-22.4
Washington	110,582	83,607	32.3	24.8
West Virginia	79,534	74,209	7.2	1.2
Wisconsin	121,332	95,872	26.6	19.4
Wyoming	12,386	7,428	66.7	57.4
U.S. Total	7,544,737	7,120,942	6.0%	0.0%

PERCENTAGE CHANGE IN STATE SHARE OF TOTAL POOR SCHOOL-AGE CHILDREN, 1990 CENSUS COMPARED TO 1980

Percentage Change

- -37.8% to -20.0%
- -19.9% to -5.0%
- -4.9% to 5.0%
- 5.1% to 20.0%
- 20.1% to 57.4%
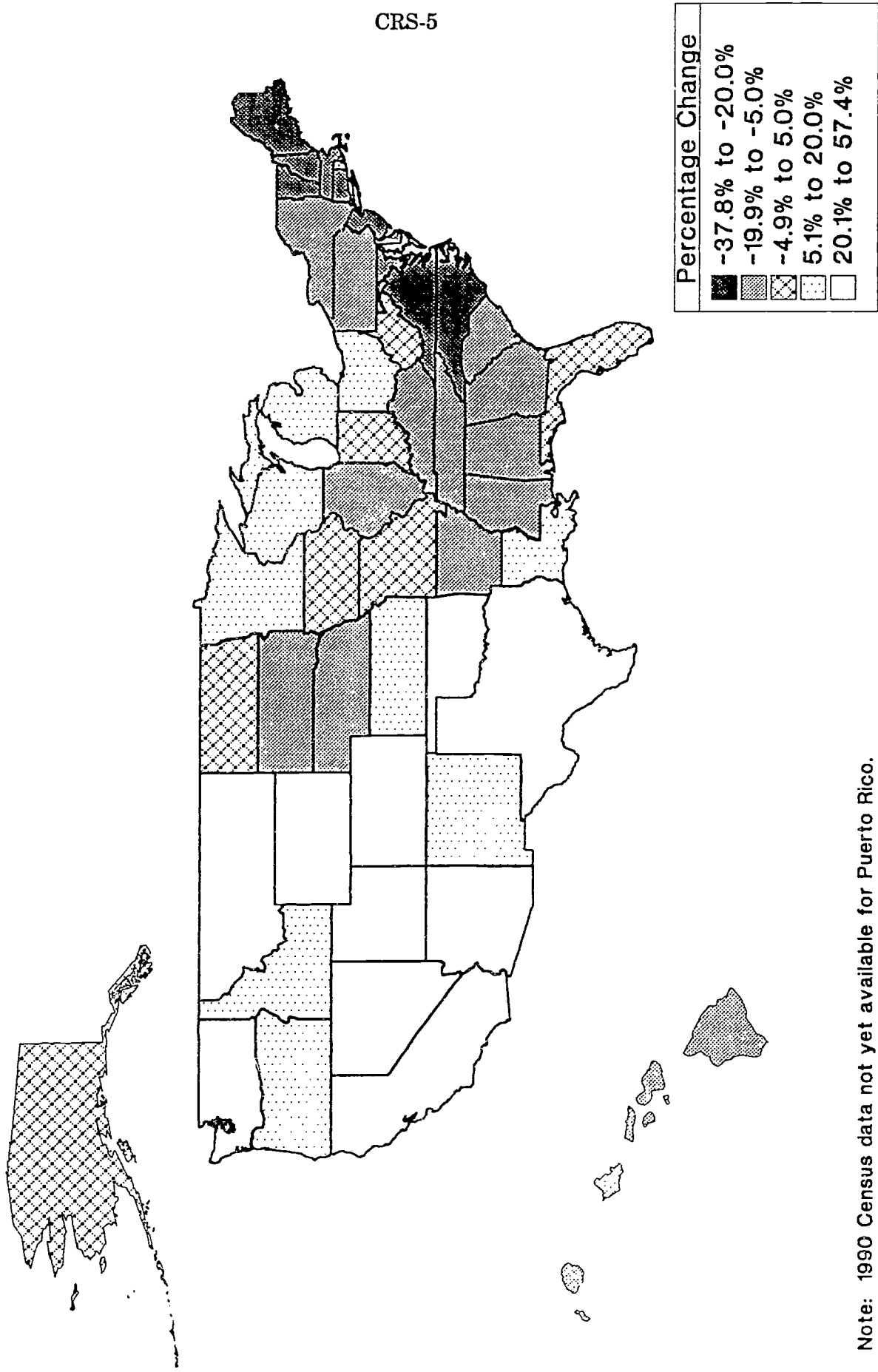
Note: 1990 Census data not yet available for Puerto Rico.

Brief Analysis of Population Shifts

While shifts in State shares of poor school age children are the best indicator of changes in State allocation shares when the 1990 census data are used in chapter 1 formulas, they will **not** be translated immediately or precisely into such allocation shifts. First, it appears unlikely that the 1990 data will be used for chapter 1 allocations before 1993-94. Second, during the first year that 1990 data are used for most chapter 1 LEA grants, 1980 data would still be used for one of the LEA grant formulas.[7] Third, the basic grant "hold harmless" provision will limit increases and decreases for at least 1-2 years of adjustment (see footnote 6). Fourth, Congress might consider modifying the chapter 1 LEA grant formulas, especially during the scheduled reauthorization of the ESEA by the 103d Congress.[8] Finally, it must be emphasized that allocation shifts will be at the county and LEA--not the State--level, and localities may experience shifts that are significantly different from the State averages shown above; e.g., an LEA's grant might increase even if total grants to a State decrease.

The table and map indicate regional patterns in the shifts in poor school age population between 1980 and 1990. **Increases** in State shares of this population are greatest (20 percent or more) in the States shown in white on the map; these include most States in the Southwest and Northwest. There are also substantial (5-20 percent) increases in the remaining West Coast and Rocky Mountain States (Idaho, Oregon, and New Mexico), several Midwestern States (Michigan, Minnesota, Ohio, and Wisconsin), plus Nebraska and Louisiana. **Decreases** in State share of poor school age children are greatest (20 percent or more) in the New England States plus New Jersey, Virginia and North Carolina, shaded in dark gray on the map. Lesser decreases (5-20 percent) are found for most Midatlantic and Southern States, plus Hawaii, Illinois, Nebraska, and South Dakota. Finally, changes are relatively **insignificant** (up or down 5 percent or less) in the remaining States of Arkansas, North Dakota, Iowa, Missouri, Indiana, and Florida.

These shifts in State shares of children from poor families may reflect at least three patterns of demographic and economic change. First, there has been a general shift in population toward the South and West, including significant declines in school-age population in some Eastern States. Second, relatively large scale immigration may have increased the population of poor families with children in such States as California and Texas. Third, these data are based on family income for 1989, when areas such as Texas, Oklahoma, the upper Midwest, and the Rocky Mountain States were in economic distress (e.g., relatively rates of unemployment and low rates of income growth), but the recent recession had not yet hit the Eastern States as it would in 1990 and 1991.

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[7]This is the concentration grant formula, under which 10 percent (currently) of chapter 1 LEA grants are allocated to LEAs in counties that, in the **previous** year, had 6,500 or more children counted in the chapter 1 formula, or in which such children constituted 15 percent or more of all school-age children.

[8]The ESEA is currently authorized through FY 1993, with an automatic extension of up to 2 years possible.