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## IDRA Analysis Shows Texas Public Schools Could Lose Additional \$38.7 Million to Private Schools Under New U.S. Department of Education Rule

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- Morgan Craven, J.D.,

IDRA National Director of Policy, Advocacy and Community Engagement

(San Antonio \* July 17, 2020) - New analysis by IDRA shows that 185 Texas public school districts may have to give up a total of over \$44.2 million of their federal CARES Act relief funds to private schools within their district boundaries under a new rule from the U.S. Department of Education. The rule increases the funding districts would usually reserve for private schools by more than \$38.7 million.

Federal law requires school districts to reserve federal funds for private schools for "equitable services," like tutoring and counseling programs, based on the population of private school students living within their districts who come from low-income families. The same

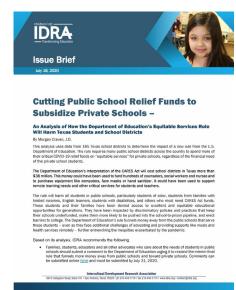
applies for CARES Act funds as long as districts only use those funds for their Title I schools.

But the Department's new rule stipulates that if a school district spends even one dollar of its CARES Act relief funds for a non-Title I school, it must give away a much higher amount to its nearby private schools. The amount must be calculated based on the total population of private school students in the district, regardless of family income.

This means that to have access to the full allotment of relief funds, schools cannot spend those COVID-19 relief funds, schools cannot spend those COVID-19 relief funds on protective equipment, cleaning supplies, instructional materials, or any district-wide measures to benefit students in non-Title I schools, including students from families with limited incomes

who do not attend Title I schools.

funds."



"The Trump Administration's decision to divert critical COVID-19 relief funds from public schools and the students they serve toward private schools is both tragic and unsurprising," said Morgan Craven, J.D., IDRA's National Director of Policy, Advocacy and Community Engagement. "The Department's interpretation of the CARES Act is completely inconsistent with the letter and spirit of the law and harms students of color, students with disabilities, English learners, students from families with limited incomes and others who most need the

"The Department of Education's new rule is truly a double standard. It penalizes districts that spend relief funds to serve students in non-Title I schools by forcing them to give money to private schools serving students of all family incomes," she added.

Key findings of the analysis show the following:

- Under previous requirements, the Texas school districts studied would have to reserve less than 1% of CARES Act funds, or about \$5.4 million, for private schools in their districts.
- The Department of Education's new rule for CARES Act funds requires some public school districts to reserve critical public relief funds for private schools based on the total population of private school students, regardless of financial need. Under this rule, the school districts studied would have to set aside more than a combined total of \$44.2 million for private schools in their districts.
- For CARES Act relief funds, the difference between what the school districts would be
  required to give to private schools under the normal equitable services calculation and
  what they may be required to give with the Department of Education's new calculation
  is \$38.7 million.
- An additional \$38.7 million could pay for 571 school counselors, 678 nurses, more than 51 million protective masks for students, or more than 167,000 Chromebooks.

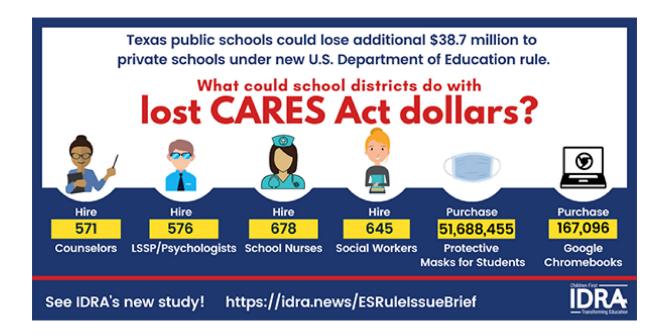
 Charter schools do not have to give away any of their CARES Act funding to private schools.

IDRA's issue brief, Cutting Public School Relief Funds to Subsidize Private Schools, provides a list of the 185 districts and how much each will lose to private schools in its boundaries if the district has to reserve funds based on total private school population (see Appendix B). The districts at the top of the list are:

Houston ISD = \$8,609,051 Dallas ISD = \$6,856,217 Fort Worth ISD = \$2,336,431 San Antonio ISD = \$1,951,001 Austin ISD = \$1,913,480 Spring Branch ISD = \$1,590,259 El Paso ISD = \$1,463,783 North East ISD = \$1,116,580 Corpus Christi ISD = \$684,164 Brownsville ISD = \$674,623 Richardson ISD = \$578,250

Even though the new Department of Education rule claims to give school districts a choice for how to calculate reserved funds for private schools, it may be a false choice for many Texas school districts. For example, the Texas Education Agency announced that certain CARES Act funds allocated to school districts must be used to replace the average daily attendance (ADA) state funding that was not provided to districts during COVID-19 school closures. Under the Department of Education's new rule, if a school district uses CARES Act funds to replace lost state funding in any non-Title I schools they would be required to give more money for private schools in their district.

The Department of Education is accepting public comments on its rule, although the rule is currently in effect. **Comments can be submitted online** on or before July 31, 2020.



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We are committed to the IDRA valuing philosophy, respecting the knowledge and skills of the individuals we work with and build on the strengths of the students and parents in their schools.