



FEDERAL FUNDS TO NEW YORK CITY: TITLE I GRANTS TO LOCAL EDUCATIONAL AGENCIES

Overview

Title I of the Every Student Succeeds Act of 2015 (ESSA), which amended the Elementary and Secondary Education Act of 1965 (ESEA), distributes federal funding to Local Educational Agencies (LEAs) — public school districts, charter schools, and Special Act districts — for the purpose of closing educational achievement gaps between students (Assistance Listing Number 84.010). Funds pass through the State Education Department and are allocated to the New York City Department of Education (DOE) and local charter schools through four statutory formulas that are primarily based on census poverty estimates and the cost of education in each state.

Within a school district (like DOE), Title I funds are targeted to those schools with the highest percentages of children from low-income households relative to the district's overall poverty rate. Schools in which children from low-income families account for at least 40 percent of enrollment are eligible to apply to use Title I funds to operate school-wide programs. The funds are otherwise targeted for services to individual children who are failing, or most at risk of failing, to meet state academic standards. DOE must set aside portions of its awarded Title I funding for equitable services for eligible private school children, parent and family engagement, Students in Temporary Housing (STH) and children in local institutions for neglected children. Once those set-asides are established, schools have discretion to allocate the remainder of their Title I funding for a variety of authorized uses, including personnel costs, early childhood education, school improvement, or coordinated services. Schools are also allowed to combine Title I funding with certain other funds to support these programs. All district students in temporary housing are eligible for Title I funding regardless of which school they attend.

The President has ordered the eventual closure of the federal Department of Education; however, the full dismantling of the Department will require congressional approval, as would the cessation of most federal education aid, including Title I.

City Funding

The City's fiscal year (FY) 2026 preliminary budget includes \$679 million in federal Title I funding in FY 2025 and in each year thereafter. This accounted for 32.4 percent of the January Plan's total federal education aid, but only 1.7 percent of the DOE's total education spending (including debt service and pensions). Historically, the City's Title I budget has risen over the course of the fiscal year; however, the City conservatively assumes it will remain flat in future years. Since January, the City has increased budgeted Title I funding by \$100 million in FY 2025, bringing it more in line with historical norms and annual school allocations.

IMPACT

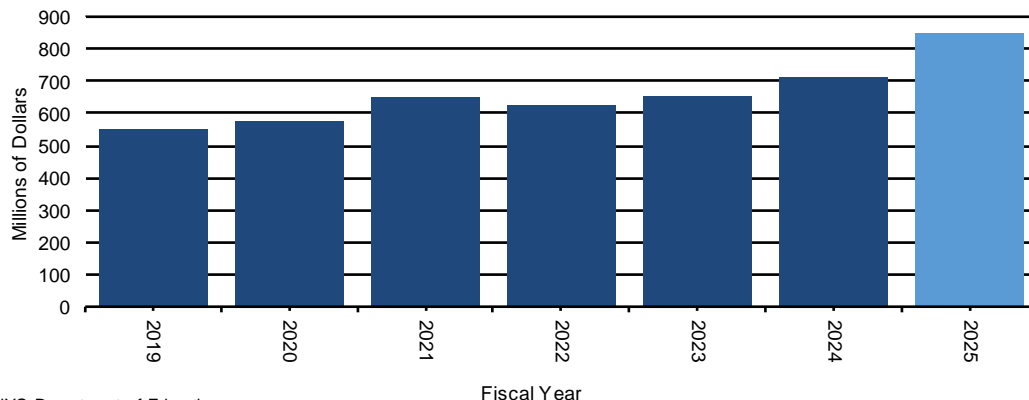
- In FY 2025, DOE allocated \$847 million in Title I funding to nearly 1,600 City schools (see Figure 1); this includes \$58 million carried over from FY 2024 (a practice which began in FY 2021).

FIGURE 1**Title I NYC School Allocations, FY 2025**

	# Schools	Fungible Title I Funds	STH Allocation	Other Title I Funds	Carryover Funds	Total Title I Funding	Avg. Per-School Title I
School-Wide Prog.	1,272	\$631,807,810	\$100,696,344	\$43,683,709	\$58,098,106	\$834,285,969	\$655,885
Targeted Services	16	\$2,480,729	\$224,980	\$125,636	\$239,492	\$3,070,837	\$191,927
Non-Title I Schools	299	-	\$9,599,097	\$354,212	-	\$9,953,309	\$33,289
Total	1,587	\$634,288,539	\$110,520,421	\$44,163,557	\$58,337,598	\$847,310,115	\$533,907

Source: NYC Department of Education

- The average per-school Title I allocation was \$533,907; allocations by school vary widely based on need, grades served and other factors.
 - Schools operating school-wide programs (i.e., those with more than 40 percent of students from low-income families) received significantly larger allocations than schools operating targeted services or those which only received Title I funds to support students in temporary housing.
- The 1,272 public schools operating school-wide programs serve a total of 642,772 students (70.5 percent of all students attending traditional public schools in New York City);
 - The City considers approximately 541,500 of these students (84.2 percent) to be in poverty, though the City's poverty calculations include students from households with incomes up to 185 percent of the federal poverty level.
- Of the 299 non-Title I schools receiving Title I funds for students in temporary housing, 238 are public schools which serve a total of 161,734 students, approximately 72,150 of whom (44.6 percent) meet the City's poverty threshold.
- Historically, the amount of Title I funds the City has allocated to schools at the beginning of the school year has been on an upward trend in recent years (see Figure 2).
 - The increase in allocations from FY 2024 to FY 2025 has been significantly larger than historical norms; however, the City recognized \$826 million in Title I revenue in FY 2024, significantly more than was allocated to schools, and comparable to the FY 2025 allocation.
 - LEAs are allowed to roll over up to 15 percent of their Title I allocation into the next year.

FIGURE 2**Historical Citywide Title I School Allocations**

Source: NYC Department of Education