



POLICY ANALYSIS



The Importance of At-Risk Funding

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In recent decades, states and districts have moved toward making education more equitable. A key component of

ALTHOUGH THERE ARE MORE THAN 20 METHODS THAT STATES USE TO DETERMINE A STUDENT'S AT-RISK STATUS, A MAJORITY OF STATES USE THE STUDENT'S ELIGIBILITY FOR THE NATIONAL SCHOOL LUNCH PROGRAM AS A DETERMINING FACTOR.

equity in education is providing additional funds for economically disadvantaged students,

commonly referred to as “at-risk students.” At-risk students are most often defined as students who qualify for free or reduced priced lunches through the National School Lunch Program, meaning that their family income falls below 130 percent or 185 percent of the federal income poverty line, respectively. Studies have found a connection between providing additional funding for these at-risk students and increased academic success. However, there is discrepancy between states on how at-risk students are funded and how much additional money they receive.

DIG IN.
Discover how states approach priority education issues.

FORTY-THREE STATES plus the District of Columbia provide additional funding for at-risk students, either through their school funding formula or through a categorical funding program.

Four states – **ALASKA, DELAWARE, IDAHO** and **SOUTH DAKOTA** do not have programs to fund at-risk students. The remaining three states are either transitioning to a new funding system or have an unfunded program.

As shown in Figures 1 and 2, at-risk students, on average, have lower standardized test scores on math and reading assessments in both 4th and 8th grade.¹

FIGURE 1: Percent of Students Testing Proficient or Above on NAEP, by National School Lunch Program Eligibility
Math, 2015

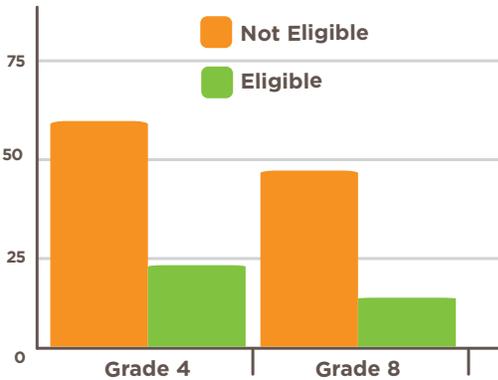


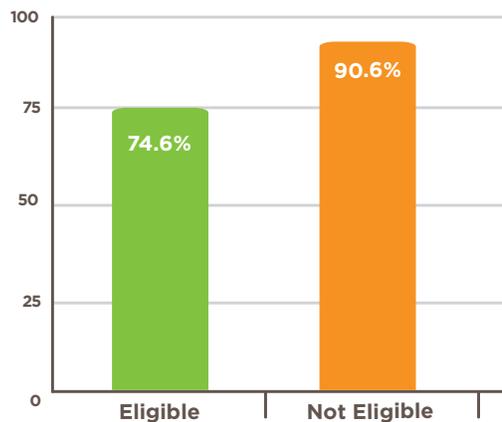
FIGURE 2: Percent of Students Testing Proficient or Above on NAEP, by National School Lunch Program Eligibility
Reading, 2015



Source: U.S. Department of Education Institute of Education Sciences National Center for Education Statistics

This trend follows students throughout their educational careers – the graduation rate for at-risk students is a full 16 percentage points lower than the high school graduation rate for students not eligible for the free or reduced price lunch program, as shown in Figure 3.

FIGURE 1: 4-Year High School Graduation Rates, by National School Lunch Program Eligibility
Public High Schools, 2015



Source: Authors' calculations based on data from the U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics

Studies have found that additional education funding can make a lasting impact on the learning outcomes for at-risk students. A National Bureau of Economic Research working paper showed that a sudden increase

in spending resulting from a court order or from legislative reforms caused gradual increases in the relative achievement of students in low-income districts.² A second study found evidence that an increase in spending on pupils from poor families led to higher rates of educational attainment, higher lifetime earnings and a reduction in the incidence of adult poverty. However, the study did not find similar results for children from non-poor families.³ Together, these studies show that investing additional funds in schools with a high population of at-risk students can improve educational outcomes for those students.

HOW IS AT-RISK FUNDING ALLOCATED TO DISTRICTS?

Policymakers in many states have recognized that low-income students require additional resources to reach their educational potential. Education Commission of the States found that, 43 states plus the District of Columbia provide additional funding for at-risk students. States provide this additional funding to at-risk students either through the state's primary school funding formula or through grant programs outside of the formula commonly referred to as "categorical" funding.

Education Commission of the States found that 24 states that provide aid to at-risk students do so through the state's primary funding formula. States can adjust their formulas for at-risk students by either providing an additional dollar amount per student or by increasing the spending on each at-risk student with an additional weight. For example, **Maine** provides each at-risk student with an additional weight of .15 in their formula - which means that at-risk students included in Maine's formula receive 15 percent more funding than general education students. Some states have more sophisticated systems for distributing at-risk funding. In **Colorado**, each at-risk pupil receives funding equal to at least 12 percent, but no more than 30 percent, of its total per-pupil funding. As a district's percentage of at-risk population increases above the statewide average (roughly 37.2 percent), an increased amount of at-risk funding is provided.

Categorical programs are created by legislatures outside of the state's primary formula to fund a specific purpose (e.g., after-school programs, early learning or summer school) or for specific student groups, such as at-risk. Education Commission of the States found that 21 states distribute additional funding to at-risk students through categorical aid programs. An example of this can be seen in **Arkansas**, where funding for at-risk students is provided through a categorical program. The state's at-risk program provides funding to districts on a sliding scale based on the percentage of students who qualify for the National School Lunch Program. The higher the percentage of National School Lunch Program students, the more money the school receives per at-risk pupil.

IDENTIFYING AT-RISK STUDENTS

States use different methods to identify at-risk students. While most states use qualification for the federal free and reduced priced lunch program as a proxy, there are other indicators of economic disadvantage that states use. Examples of this include **Connecticut**, which considers students who are eligible for federal assistance under Title I of the Elementary and Secondary Education Act at-risk; **Vermont**, where their at-risk proxy is determined by whether or not the family qualifies for the Supplemental Nutrition Assistance Program and **Indiana**, which uses the percentage of students receiving free textbooks as an indicator of at-risk status.

AT-RISK FUNDING IN STATES

Table 1 shows whether the 50 states and the District of Columbia fund at-risk students through their funding formula or through a categorical program, as well as the name of the funding program, the way in which states determine the number of at-risk students at each school and district and the funding amount that goes to at-risk students.

TABLE 1: AT-RISK FUNDING MODELS BY STATE

STATE	TYPE	PROGRAM NAME	METHOD FOR IDENTIFYING AT-RISK STUDENTS	AMOUNT
Alabama	Categorical	Assistance program for at-risk students	Unsatisfactory academic performance	Additional \$100
Arizona	Weighted in the formula	K-3 Reading Program	Unsatisfactory academic performance	Additional 0.040 weight
Arkansas	Categorical	National school lunch state categorical funding	National School Lunch Program	FY 2013: >90%: \$1,549 70%-90%: \$1,033 <70%: \$517
California	Categorical	Supplemental Grant	National School Lunch Program, English language learners, foster youth	20% of the adjusted base grant
		Concentration Grant	National School Lunch Program, English language learners, foster youth	>55%: 50% of the adjusted base grant
Colorado	Categorical	At-risk funding	National School Lunch Program (free only), unsatisfactory academic progress for English language learners	Between 12% and 30% depending on at-risk percentage
Connecticut	Weighted in the formula	Poverty count	Title I eligible	Additional 33%
District of Columbia	Weighted in the formula	At-risk student funding	Homeless, foster youth, an over-age high school student, Temporary Assistance for Needy Families eligible, Supplemental Nutrition Assistance Program eligible	FY 2015: Additional \$2,079
Florida	Categorical	Supplemental Academic Instruction Funds	Focus on elementary schools with unsatisfactory academic performance in language arts	FY 2015: \$642,089,342
Georgia	Weighted in the formula	Remedial program	Unsatisfactory academic performance	Sufficient funds to pay the beginning salaries for instructors needed to provide 20 additional days of instruction for 10 percent of the full-time equivalent count
Hawaii	Weighted in the formula	Economically disadvantaged count	National School Lunch Program	Additional 0.1 weight

STATE	TYPE	PROGRAM NAME	METHOD FOR IDENTIFYING AT-RISK STUDENTS	AMOUNT
Illinois	Categorical	GSA Grant	Eligible for: Medicaid, Supplemental Nutrition Assistance Program, Temporary Assistance for Needy Families, or Children's Health Insurance Program	<15%: \$355 15%-100%: [294.25 + (2,700 Low-income percentage)^2] X low-income pupils
Indiana	Categorical	Complexity Grant	Eligible for free textbooks	FY 2015: Additional \$4,587
Iowa	Weighted in the formula	At-risk programs	National School Lunch Program	0.48 times the percentage of pupils in a school district, grades 1-6 who are eligible for free and reduced price meals, multiplied by the enrollment in the school district, plus 0.156 times the enrollment of the school district
Kentucky	Weighted in the formula	At-risk student amount	National School Lunch Program (free only)	Additional 15%
Louisiana	Weighted in the formula	At-risk students	National School Lunch Program	1.22 times the base amount
Maine	Weighted in the formula	Economically disadvantaged students	National School Lunch Program	Additional weight of 0.15
Maryland	Categorical	Compensatory education enrollment count	National School Lunch Program	97% of the annual per pupil foundation amount
Massachusetts	Weighted in the formula	Low-income status	National School Lunch Program	FY 2016: \$2,809
Michigan	Categorical	At-risk	One of the following: Unsatisfactory academic performance, child abuse victim, pregnant or teen parent, family history of school failure, incarceration, or substance abuse, enrolled at a priority school. OR Two of the following: National School Lunch Program, habitual truancy, homeless, migrant, English language learners, recent immigrant (three years), over-age high school student	FY 2016: \$389,695,500 Additional 11.5%
Minnesota	Categorical	Compensatory Pupil Units	National School Lunch Program (full count for free, half count for reduced price lunch)	Compensatory revenue = (basic formula allowance - \$415) x .6 x compensatory pupil units
Mississippi	Weighted in the formula	At-risk component	National School Lunch Program (free only)	Additional 5%
Missouri	Categorical	Free and reduced price lunch weighting	National School Lunch Program	Assigns a weight of 1.2 or 1.3 if population is above minimum threshold

STATE	TYPE	PROGRAM NAME	METHOD FOR IDENTIFYING AT-RISK STUDENTS	AMOUNT
Montana	Categorical	At-risk student payment	Title I eligible	FY 2015: \$5.149 million
Nebraska	Weighted in the formula	Poverty student count	National School Lunch Program	Sliding scale based on the percentage of poverty students: -No additional funding for the first 5% -0.0375 for 5 - 10% -0.075 for 10 - 15% -0.1125 for 15 - 20% -0.15 for 20 - 25% -0.1875 for 25 - 30% -0.225 for more than 30%
Nevada	Categorical	Victory Schools Program	Funding will be allocated to schools with the lowest student achievement levels in the 20 poorest zip codes in the state	\$50 million over two- year pilot program
New Hampshire	Weighted in the formula	Differentiated aid for free and reduced-price meal eligible students	National School Lunch Program	Additional \$1,780.63
New Jersey	Weighted in the formula	At-risk pupil weight	National School Lunch Program	FY 2017: <20%: Additional 0.41 >20% and <40%: sliding scale >40%: 0.46
New Mexico	Weighted in the formula	At-risk index	Three-year average of: 1) Title 1 eligibility 2) English language learners percent 3) Measure of student mobility	Three-year average total rate x 0.0915 = at-risk index
New York	Weighted in the formula	Extraordinary needs pupil count	National School Lunch Program, students in poverty, ELL, sparcity count	(National School Lunch Program and poverty) X 0.65 + (ELL) X 0.5 + (sparcity count)
North Carolina	Categorical	At-risk student services	Title I eligible	At-risk formula: Every LEA receives the following: 1. Funding equivalent to a school safety officer salary (\$37,838) per high school 2. Remaining funds allocated based 50% on Federal Title I headcount (\$329.77/pupil) and 50% on allotted ADM (\$88.37/pupil)
	Categorical	Disadvantaged students supplemental funding	Students living in a single parent family, students below poverty line, students who have at least one parent with less than a high school degree	<80%: One additional teacher salary for every 238.4 DSSF population 80%-90%: one additional teacher salary for every 273.0 DSSF population >90%: one additional teacher salary for every 420.0 DSSF population



STATE	TYPE	PROGRAM NAME	METHOD FOR IDENTIFYING AT-RISK STUDENTS	AMOUNT
North Dakota	Weighted in the formula	Weighted ADM for students eligible for free or reduced lunches	National School Lunch Program	Additional 0.025
Ohio	Categorical	Economically disadvantaged index for a school district	Title I eligible, National School Lunch Program, recipient of public assistance	$\$272 \times ((\# \text{ at-risk students in district} / \# \text{ at-risk students in state})^2 \times \# \text{ at-risk in district})$
Oklahoma	Weighted in the formula	Economically disadvantaged weight	National School Lunch Program	Additional 0.25
Oregon	Weighted in the formula	Poverty weight	Students in poverty (census), foster youth, living in facilities for neglected or delinquent children	Additional 0.25
Rhode Island	Weighted in the formula	Student success factor	National School Lunch Program	Additional 40%
South Carolina	Categorical	Students at risk of school failure	Medicaid, National School Lunch Program, unsatisfactory academic performance	FY 2015: Additional 0.20 (\$79,551,723)
Tennessee	Weighted in the formula	K-12 at-risk class size reduction	National School Lunch Program	FY 2016: Estimated at \$542.27 per identified at-risk student
Texas	Weighted in the formula	State compensatory education	National School Lunch Program	District's adjusted allotment X 0.2 X educationally disadvantaged students
Utah	Categorical	Enhancement for At-Risk Students Program	Unsatisfactory academic performance, National School Lunch Program, English language learners, mobility	FY 2015: \$24,376,400 minus gang prevention: \$1,200,000 = \$23,176,400
Vermont	Weighted in the formula	Poverty ratio	SNAP	Additional 25%
Virginia	Categorical	Remedial education payments for federal free lunch participants	National School Lunch Program (Free only)	Between 1% and 13% based on the percentage of at-risk students
Washington	Categorical	Learning Assistance Program	National School Lunch Program	FY 2015: Additional \$463 per at-risk student
West Virginia	Categorical	Allowance for alternative education programs	Net enrollment	\$18 per student
Wyoming	Weighted in the formula	Economically disadvantaged youth	National School Lunch Program	If >150% of state average, additional \$500 per at-risk student

Notes:

1. Alaska, Delaware, Idaho and South Dakota do not have programs to fund at-risk students.
2. Kansas is currently using a block grant system to fund K-12 education while they transition to a new system.
3. Pennsylvania is transitioning to a new funding formula, which, when fully implemented, will provide additional funding for at-risk students.
4. Wisconsin has a program for children at-risk of not graduating from high school in statute, but the program is currently unfunded.

AUTHOR INFORMATION

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The authors would like to thank Emily Workman for her contribution to this report.

ENDNOTES

1. The National Assessment of Educational Progress (NAEP), is the largest nationally representative test of students in 4th, 8th and 12th grade. Data is available disaggregated by state and broken down across subject areas, race and socioeconomic status.
2. Lafortune, Julien, Jesse Rothstein, and Diane Whitmore Schanzenbach, School Finance Reform and the Distribution of Student Achievement (NBER Working Paper No. 22011), <http://www.nber.org/papers/w22011> (accessed April 20, 2016).
3. Jackson, Kirabo C., Rucker Johnson, and Claudia Persico, The Effect of School Finance Reforms on the Distribution of Spending, Academic Achievement, and Adult Outcomes (NBER Working Paper No. 20118), <http://www.nber.org/papers/w20118> (accessed April 21, 2016).

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