# Supplement to the Report on Legislative Hearings for the 2012 Interim Study on Educational Adequacy

During the 2012 hearings on educational adequacy, the House and Senate Committees on Education requested additional research on the impact of NSLA-funded interventions. In December 2012, the Bureau of Legislative Research presented its initial findings. The BLR used regression analysis to examine districts by the percentage of students who qualify for free and reduced price lunch and the percentage of students who scored proficient or advanced on the state Benchmark exams and End of Course testing.

The BLR compared 2006 and 2011 data, which showed an upward shift over the course of five years, indicating a general increase in student achievement during those years. However, as expected, the slopes of the regression lines (illustrated in the following chart) show a negative relationship between student achievement and percentage of low income students. In both years, as each district's percentage of free and reduced price students increases, the percentage of students scoring proficient or above decreases. Additionally, the slope of these lines did not significantly change between 2006 and 2011. This lack of change indicates that NSLA funding levels are not associated with achievement gains. The BLR also noted that NSLA funding represents only 3% of all K-12 in FY2011.

Linear Relationship Between 2006 & 2011 NSLA % and % Proficient or >(District Population)
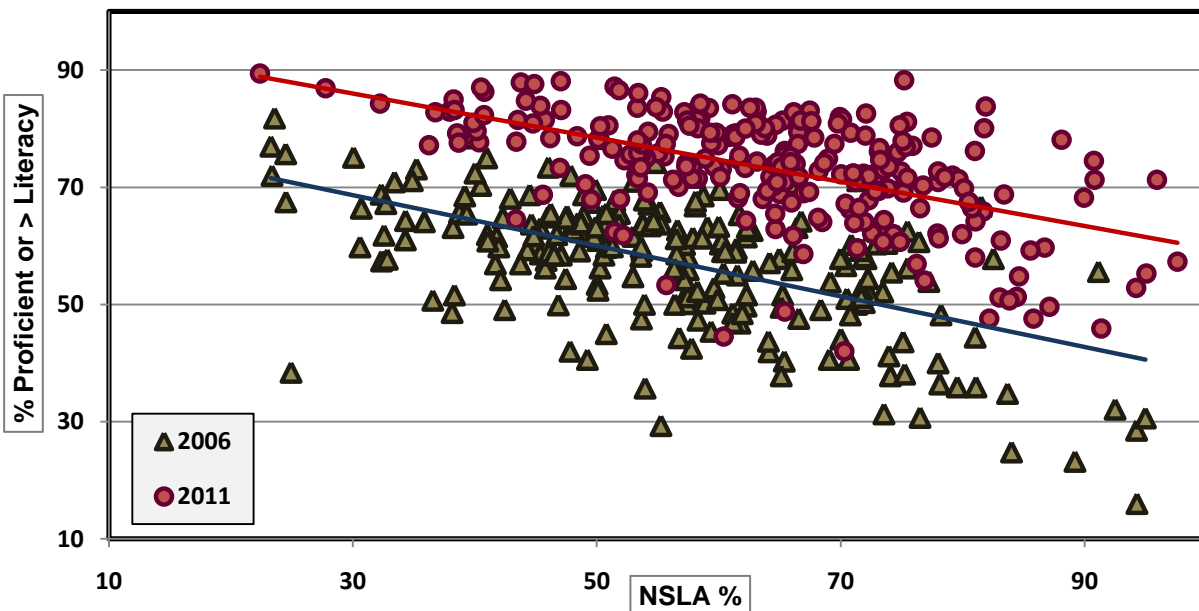
The BLR report also noted the large and expanding number of uses for which districts are allowed to spend NSLA funding. There are 19 allowable uses in statute and another 12 added by the State Board of Education. The following table shows the allowable uses on which districts collectively spent the largest percentage of NSLA funding. (Instructional facilitators and curriculum specialists are combined in the table below, but as expenditures, they are divided into two separate program intent codes.)

Allowable Uses	% of NSLA Expenditures
Instructional facilitators and curriculum specialists	25% (20% & 5%, respectively)
Classroom teachers	11%
Expenditures contained in a school's school improvement plan	10%
Counselors, social workers and nurses	10%
Other activities approved by the Ark. Dept. of Education	15%

The BLR suggested that spreading this funding across such a wide range of interventions may dilute the impact of the funding. However, the BLR indicated that further study would be needed to determine whether the wide ranging nature of allowable uses does, in fact, dilute student achievement gains.

In March 2013, the BLR was asked to re-present its findings to the new membership of the House and Senate Education Committees. Additionally, Dr. Gary Ritter, director of the Office of Education Policy (OEP) at the University of Arkansas, was invited to present his findings and recommendations for NSLA funding. Contracted by the Arkansas Department of Education, OEP focused on the jumps in NSLA funding levels as districts' concentrations of poverty increase. For FY13, districts received the following funding per NSLA student depending on their concentrations of poverty.

% NSLA	Funding
0-<70%	$517
70%-<90%	$1,033
90%+	$1,549

OEP noted that the jump from 69% NSLA students to 70% NSLA students results in a large $516 per student difference in NSLA funding. The jump between 89% and 90% is similarly steep. OEP examined school districts on either side of the funding jumps, which Dr. Ritter called "cliffs." OEP examined the Benchmark scores of 34 districts with concentrations of low income students between 64% and 69% and the scores of 14 districts with concentrations between 70% and 75%. The researchers found "the districts just above and below the cliff (thus, districts who are socio-economically 'equal') perform nearly identically." The researchers also examined the scores in the eight districts just below the 90% funding cut point and the five districts just above it. They found that "on math and literacy Benchmark exams, districts just below the 90% cliff outperformed the districts above the cliff."

Dr. Ritter also made two recommendations:

1.) Develop a smoother funding model that provides funding on a sliding scale with no cliffs. Dr. Ritter offered two funding model options. Both models provide more money to districts for students who qualify for free lunches than for students qualifying for reduced price lunches. (Students with household incomes under 130% of the federal poverty level are eligible for free lunches, while those with incomes between 130% and 185% are eligible for reduced price lunches.) The first model would apply a 100% weight for free-lunch students and a 75% weight for reduced price lunch students. The second model would apply the same weights, but would eliminate NSLA funding for districts with NSLA concentrations of less than 40%.

2.) Regulate the use of funding. Dr. Ritter suggested the development of a menu of promising programs for districts not meeting the needs of NSLA students.