

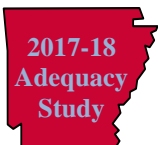


## Research Report

# National School Lunch State Categorical Funding and Expenditures

**September 19, 2017**

**Prepared for  
THE HOUSE INTERIM COMMITTEE ON EDUCATION  
AND THE SENATE INTERIM COMMITTEE ON EDUCATION**



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## Background

Arkansas statute § 10-3-2102 requires the House and Senate Committees on Education to evaluate the entire spectrum of public education to determine whether students receive equal opportunity for an adequate education. As one part of that responsibility, the law requires the Committees to review the expenditures from National School Lunch (NSL) state categorical funding. **NSL funding is state money distributed to school districts based on the concentrations of poverty** in their student populations. This report provides information on the NSL funding provided to districts and charter schools, their use of this funding, the number of low-income students in Arkansas, and the performance of these students on state and national tests.

The NSL state categorical funding program **should not be confused with the federal National School Lunch Act program**. The state funding is called NSL funding because eligibility for the federal National School Lunch Act program is used as the measure of poverty. According to the federal program rules, children from families with incomes below 130% of the federal poverty level (FPL) are eligible for free meals, and those with incomes between 130% and 185% of the poverty level are eligible for reduced-price meals. For a family of four in 2016-17, 130% of the FPL is \$31,590, and 185% is \$44,955.<sup>1</sup>

The Arkansas General Assembly introduced NSL state categorical funding during the Second Extraordinary Session of 2003, with the first appropriation for the 2004-05 school year. The new funding was based on recommendations made by Lawrence O. Picus and Associates, the education finance consulting firm the General Assembly hired in 2003 to help devise a new funding formula for the state's education system. The consultants made recommendations in 2003<sup>2</sup> and again in 2006,<sup>3</sup> when the state rehired them to recalibrate the funding formula.

Picus and Associates argued that districts with **high concentrations of poverty need additional resources** and, in both 2003 and 2006, they recommended the state provide additional funding for two purposes: teacher tutors and pupil support personnel (guidance counselors, nurses, social workers, family outreach workers, etc.). In 2003, Picus and Associates noted that, for struggling students, "the most powerful and effective strategy is individual one-to-one tutoring provided by licensed teachers" (p. 25). The consultants recommended that Arkansas fund one fully licensed teacher tutor for every 100 NSL students, with a minimum of one for every school. They also suggested the state fund extended-day and summer-school programs as secondary measures if the state found its tutoring strategy was not fully sufficient. Picus and Associates also noted that schools need a strategy for student support services and family outreach, and that strategy should be based on each district's level of poverty. The general standard, they said, is one licensed professional for every 20-25% of the student body that is low income. In total, the consultants recommended two full-time employee (FTE) positions for every 100 NSL students—one teacher tutor and one pupil support services FTE.

The Legislature then enacted Act 59 of the Second Extraordinary Session of 2003, which turned the staffing level into a dollar amount for each NSL student. The levels essentially funded 1 FTE position for districts with NSL concentrations below 70%, two for districts with NSL concentrations between 70% and less than 90% and three positions for districts with NSL concentrations at 90% and above. Since then, the General Assembly has increased the three per-student rates five times.

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<sup>1</sup> <https://www.federalregister.gov/documents/2016/03/23/2016-06463/child-nutrition-programs-income-eligibility-guidelines>

<sup>2</sup> Lawrence O. Picus and Associates, An Evidenced-Based Approach to School Finance Adequacy in Arkansas, Final Report, September 1, 2003.

<sup>3</sup> Lawrence O. Picus and Associates, Recalibrating the Arkansas School Funding Structure, Final Report, August 30, 2006.

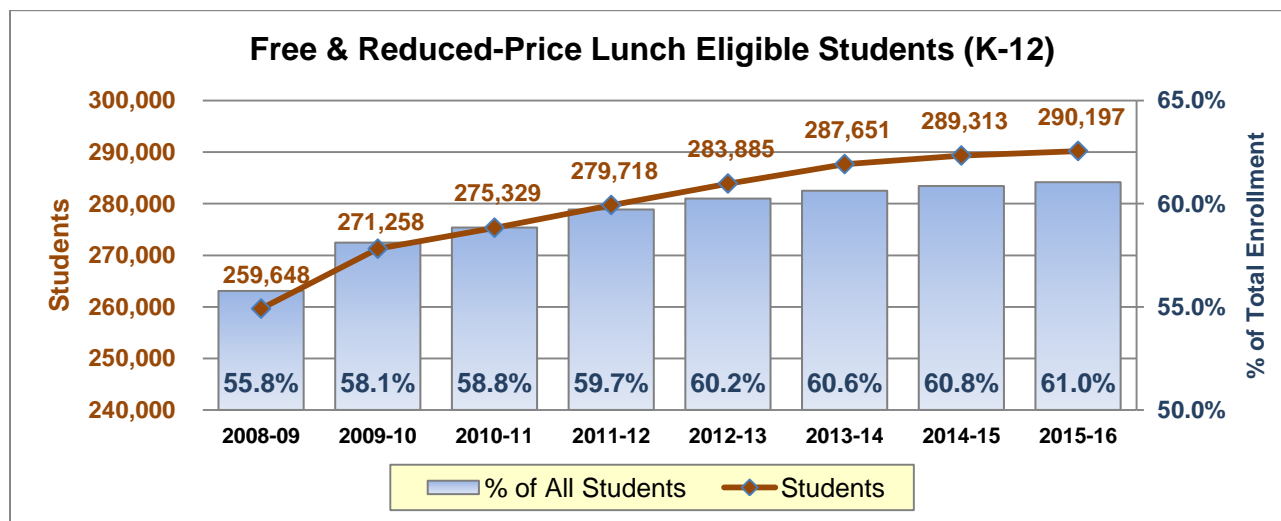
Under the state NSL categorical funding program, districts receive one of the three funding rates for each student eligible for a free or reduced-price lunch (FRPL). The funding rates for 2014 through 2019 are provided in the table below. Each district's funding rate is based on its percentage of students eligible for the free or reduced-price lunch program in the previous year. For example, if a 1,000-student district had 800 students eligible for free or reduced-price lunches (80%) in 2016, the district would receive \$1,051 for each of those 800 students in 2017, or \$840,800.

% FRPL Students	FY14	FY15	FY16	FY17	FY18	FY19
< 70%	\$517	\$517	\$522	\$526	\$526	\$526
70% - < 90%	\$1,033	\$1,033	\$1,042	\$1,051	\$1,051	\$1,051
90% >	\$1,549	\$1,549	\$1,562	\$1,576	\$1,576	\$1,576
% Annual Change	0%	0%	1%	1%	0%	0%

During the 2017 legislative session, the General Assembly opted to not increase the FY18 and FY19 NSL funding rates. However, they did recommend supplementing the existing NSL funds with an **additional \$4.3 million for a separate matching grant program** to be used to help districts provide **tutoring services, pre-K programs and before- and after-school programs**.

### Student Count

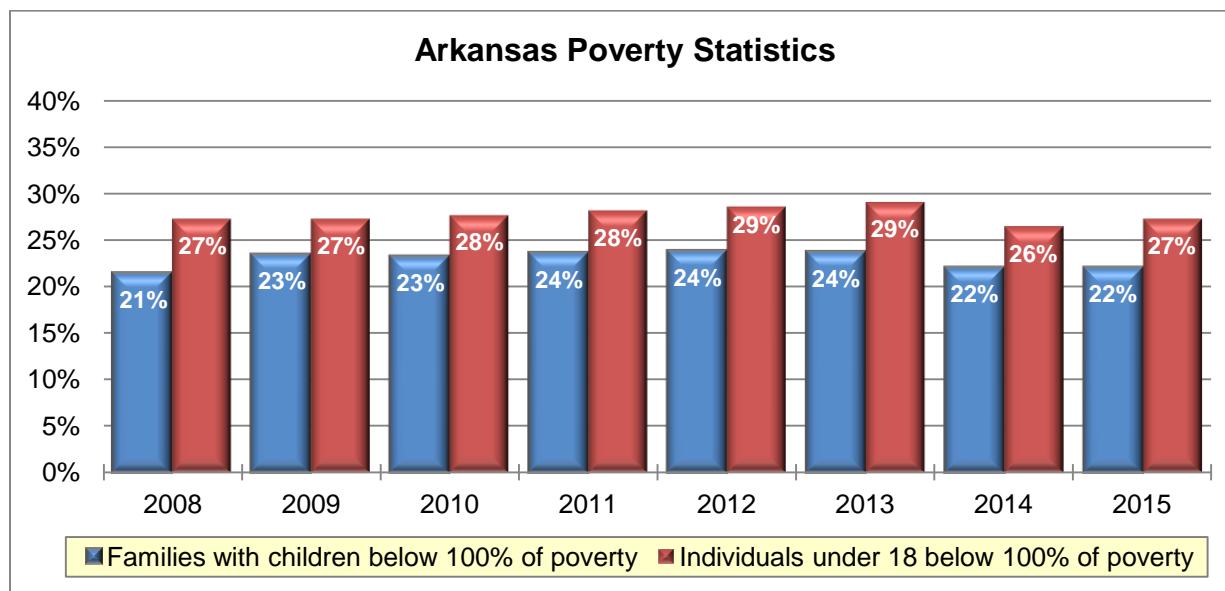
More than 290,000 of the roughly 475,000 students enrolled in the state's school districts and open-enrollment charter schools, or about 61%, are eligible for free or reduced price lunch (FRPL), according to the data the Arkansas Department of Education uses to calculate NSL state categorical funding (and ADE enrollment data for charter schools that do not receive NSL funding). The following chart indicates that both the number and the percentage of NSL students, has been increasing annually over the last seven years. Historically, about half the state's student population qualified for a free lunch, about 10% qualified for a reduced-price lunch and the remaining 40% did not qualify for lunch subsidies.



**Data Source:** Arkansas Department of Education, Annual Oct. enrollment data, audited by the Child Nutrition Unit and used to calculate NSL funding. These data do not treat CEP and Provision 2 districts as 100% free lunch. Data also include students in charter schools that do not receive any NSL funding.

The percentage of students who are eligible for free or reduced price lunch (185% of the federal poverty level and below) rose sharply during the recession beginning in 2009, but it has also continued to rise each year since. However, poverty rates (100% of the federal poverty level) in Arkansas have dipped slightly in recent years. The following chart shows that the poverty rate among families with children has dropped by two percentage points between 2013 and 2014,

according to Census estimates. The percentage of children below 100% of poverty dropped by 2.6 percentage points between 2013 and 2014. The fact that the percentage of free and reduced price lunch students has continued to increase despite decreases in the state's poverty level may be related to a change in the way students qualify for the National School Lunch program.



**Data Source:** U.S. Census, S1702 Poverty Status in the Past 12 Months of Families, S1701 Poverty Status in the Past 12 Months, American Community Survey 1-Year Estimates

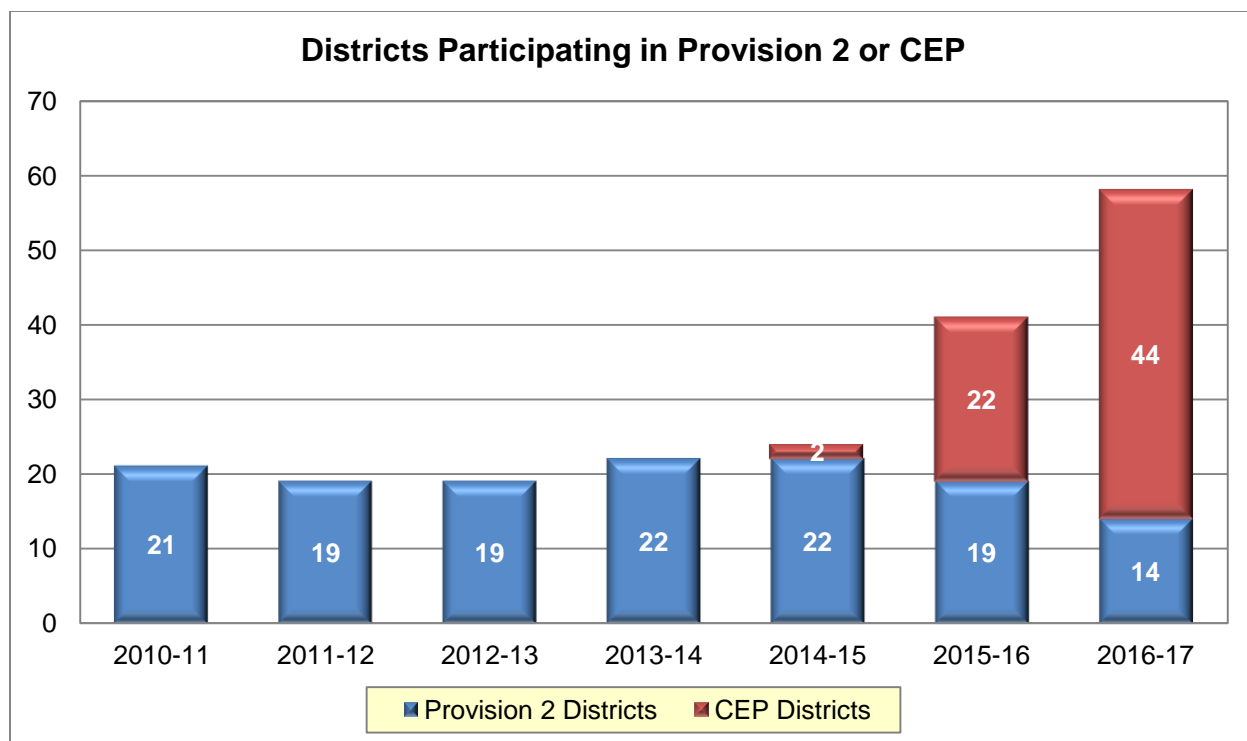
### Changes In FRPL Eligibility Affecting the Accuracy of FRLP Data

The NSL state categorical funding program uses the number and percentage of students who are eligible for free or reduced price lunch (FRPL) as its measure of poverty in a school district. Historically, this measure has relied on individual students completing a paper application for the National School Lunch Act program, providing information about their family income. Only students who filled out an application and qualified could participate in the National School Lunch Act program.

However, in an effort to ensure more students have access to healthy meals and to reduce the paperwork burden of collecting applications, the federal government has developed programs that automatically qualify all students in participating schools or districts. These programs essentially waive a school's or district's responsibility to collect FRPL applications in exchange for the school's or district's agreement to feed lunch to ALL students at no charge. In schools or districts that agree to participate in the programs, ALL students are considered "free lunch" students, regardless of their family's income level. As more schools and districts participate in these programs, an increasing number of students' individual eligibility statuses become less accurate.

### Provision 2

For many years, a small number of school districts have participated in a National School Lunch Act program, known as Provision 2. Under this program, school districts are allowed to collect applications only every four years, instead of annually, if they agree to provide meals to all students at no charge for all four years of the cycle. All students in these districts are considered free lunch students. The federal government reimburses participating districts for meals at the free lunch rate (highest federal reimbursement rate), the reduced price lunch rate and the student-paid lunch rate (lowest federal reimbursement rate) depending on the percentages of students in each category in the first year of the four-year cycle.



**Note:** Chart represents districts where the entire district participated in the programs or where some schools within the districts participated in the programs.

**Data Source:** Davidson, S., Arkansas Department of Education, August 14, 2017 email

## Community Eligibility Program

The Community Eligibility Program (CEP) started in Arkansas in the 2014-15 school year. Under this program, any school or district is eligible to participate if at least 40% of students are already certified eligible for free lunches based on their family's participation in other means-tested government programs, such as the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps). Under this program, participating schools and districts are required to provide breakfast and lunch to all students at no cost to the students. This program may be more appealing than Provision 2 to schools and districts due to its more generous federal meal reimbursement structure for some districts. In 2016-17, 44 districts and charter schools had at least one school participating in the CEP program. And the program has the potential to grow even more in the coming years, with eight charter schools and 87 school districts (of 24 total charter schools and 235 school districts) eligible to participate districtwide (i.e., the directly certified student population for the *district* is 40% or more). As individual schools, 403 of the state's 1,052 schools are eligible to participate (i.e., the directly certified student population for the *school* is 40% or more).

When a district participates in Provision 2 or CEP, all of its students are considered eligible for free lunch, regardless of their families' actual income.<sup>4</sup> That could theoretically lead to increases in NSL state categorical funding, if participating districts were considered 100% for FRPL-eligible and therefore qualified for the highest per-student reimbursement rate. However, **ADE rules have been amended to ensure that districts' DO NOT automatically qualify for large increases in their NSL funding simply because they begin participating in Provision 2 or CEP.** Instead NSL state categorical funding is calculated for districts participating in Provision 2 and CEP based on historical FRPL percentages. A district that was at 75% FRPL before CEP/Provision 2 participation will

<sup>4</sup> Some districts have a mix of individual schools participating and not participating in Provision 2 or CEP. In those cases, the participating schools are considered 100% FRPL, while non participating schools' FRPL percentage is based on the results of traditional student applications.



continue receiving NSL funding at the 75% rate, not the 100% rate. Provision 2 and CEP districts and schools stay at their pre-participation rate for at least four years, and CEP schools and districts can remain there indefinitely if there are no significant changes in their percentages of directly certified students.

While the rules for distributing NSL funding for CEP and Provision 2 districts have been adjusted, these programs may still have an impact on the amount of state categorical funding districts and charter schools receive. According to ADE, districts teetering above and below the 70% mark from one year to the next may be using the CEP or Provision 2 program to **essentially lock in the higher rate** in a year when their percentages make it over the 70% mark. This allows them to receive the higher NSL funding rate for a number of years even if their actual percentage drops below the 70% mark.<sup>5</sup>

Additionally, all districts—even districts not participating in CEP—have free lunch students automatically identified for them. This may have led to the **identification of free lunch-eligible students in districts who had simply never completed an National School Lunch Act program application.**

The Provision 2 and CEP programs affect other areas of education as well. An student's meal status is linked to each individual student, and it can then be used to analyze trends among the student subgroup (e.g., free and reduced price lunch students) in test scores, course selection, access to experienced teachers, etc. As more districts participate in these federal school lunch programs—particularly CEP—and more students are artificially labeled free lunch students, measuring other areas of education by FRPL status **becomes increasingly less precise.**

One area for which this may become an issue is in measuring the academic performance of economically disadvantaged students as part of school accountability under the federal Every Student Succeeds Act (ESSA). ESSA requires states to identify schools with low performing subgroups of students, including the economically disadvantaged student subgroup.<sup>6</sup> The U.S. Department of Education is allowing states to decide how they will identify low-income students in CEP schools, and the **Arkansas Department of Education has opted to consider all students in CEP schools as free lunch students for the purpose of accountability.**<sup>7</sup> As more schools and districts participate in CEP, with all of their students being considered free lunch students, it becomes harder to tell if improved test scores among the economically disadvantaged students statewide and within CEP districts are due to real gains or if they are due to the addition of students who are, in reality, not from low-income families.

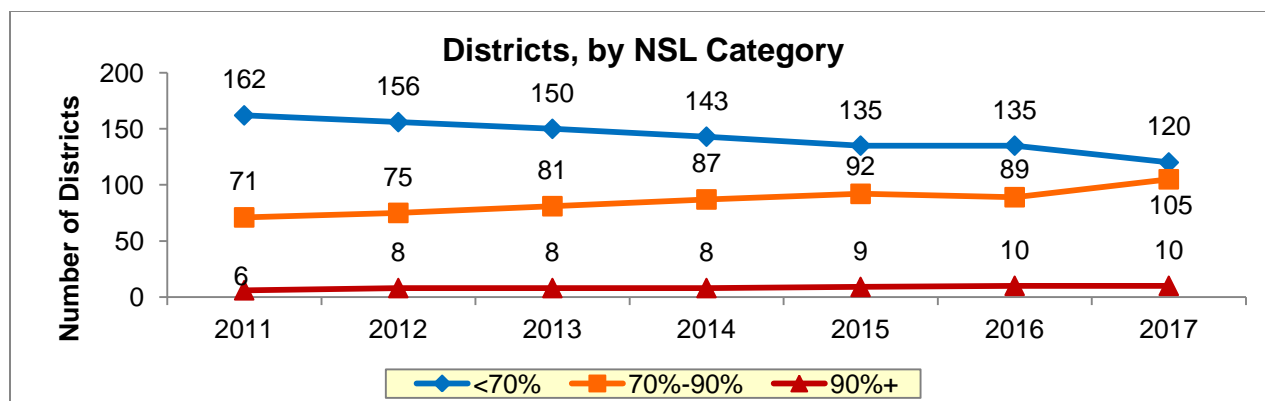
## NSL Funding Trends

In 2016-17, about 51% of the districts fell into the lowest NSL funding rate (<70%), while 45% were in the middle rate (70%-<90%) and 10 districts (4%) were in the highest funding rate (90%+). The number and percentage of districts in the lowest funding rate (lowest poverty) has decreased in recent years from 162 districts in 2011 (or 68% of all districts) to 120 districts in 2017 (51% of districts). A greater number of districts are qualifying for the middle and high funding rates, particularly in 2016-17 when the number of middle-level districts increased more than in recent years.

<sup>5</sup> Arkansas Department of Education, phone call with Cindy Hollowell, Sept. 1, 2017

<sup>6</sup> U.S. Department of Education, Summary: Proposed Regulation on Accountability, State Plans, and Data Reporting under ESSA, May 17, 2016, <https://www2.ed.gov/policy/elsec/leg/essa/essaaccountabilitynprmsummary52016.pdf>

<sup>7</sup> Coffman, D., Arkansas Department of Education, August 21, 2017 email.



**Data Source:** Arkansas Department of Education, State Aid Notice. The data represent the funding rates that districts received each year based on prior year enrollment counts. For example, 2015 represents the enrollment data collected in Oct. 2013 of the 2013-14 school year and used to calculate NSL funding distribution for the 2014-15 school year.

There are several reasons this shift may be occurring—even at a time when the state’s overall poverty and unemployment rates have been decreasing. As mentioned previously, the CEP program may be identifying free lunch eligible students who were previously missed because they did not fill out a federal school lunch program application. Additionally districts teetering above and below the 70% mark from one year to the next may be using the CEP or Provision 2 program to essentially lock in the higher rate in a year when their percentages make it over the 70% mark. This allows them to receive the higher NSL funding rate for a number of years even if their actual percentage drops below the 70% mark.<sup>8</sup>

Other reasons districts are moving to the higher funding rate may be district-specific. For example, South Conway County School District had a major employer leave the area, likely contributing to a loss in overall student enrollment while also increasing the numbers of students eligible for free or reduced price lunch.<sup>9</sup> West Side School District (Cleburne County) moved from an NSL rate of 59% to 70% in a single year. The West Side superintendent credited the use of a clearer school lunch program application form and a concerted effort of a staff member to promote application completion. As a result, the district increased the number of students who qualified for free or reduced price lunch by completing an application by 47 percent (excluding a slight dip in directly certified students).

Changes in other districts don’t appear to have a readily identifiable cause. Ashdown School District, for example, saw an increase in directly certified students (those students who qualified for free lunch based on their participation in other government programs), even as the numbers of SNAP recipients in the county decreased. In 2015-16, Springdale School District saw a 600-student increase—nearly 11 percent—in free lunch students—those who actually filled out a National School Lunch application, despite no unusual effort (beyond the typical diligence) to promote application completion. School officials in those districts could not point to anything in particular causing the changes.<sup>10,11</sup>

Additionally some superintendents believe the numbers of free or reduced price students **could continue to increase over the next several years due to Act 1118 of 2017**.<sup>12</sup> That legislation allows national school lunch students—those eligible for free or reduced price lunch—to take certain concurrent enrollment courses and earn up to six college credit hours at no cost to the

<sup>8</sup> Arkansas Department of Education, phone call with Cindy Hollowell, Sept. 1, 2017

<sup>9</sup> Halbrook, S., South Conway County School District, September 4, 2017 email

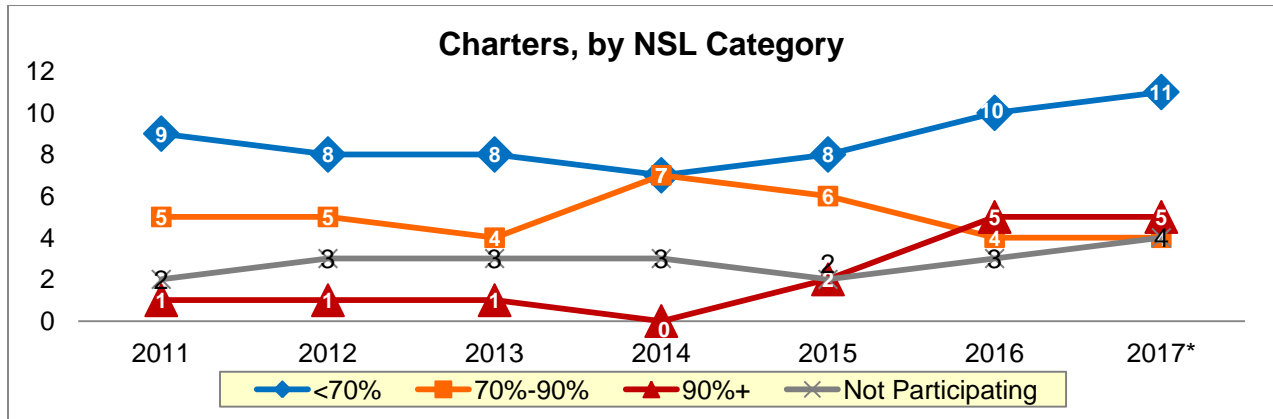
<sup>10</sup> Hayes, K., Springdale School District, September 5, 2017 email

<sup>11</sup> Sanders, J., Ashdown School District, September 5, 2017 emailed letter

<sup>12</sup> Sept. 6, 2017 meeting with selected members of Arkansas Association of Educational Administrators

student. Some superintendents believe that this benefit may encourage more high school students to complete the National School Lunch application. It is widely believed that high school students complete school lunch applications at lower percentages than students in lower grades.

In 2016-17, 11 of the charter schools (46%) fell into the lowest NSL funding rate (<70%), while four (17%) were in the middle rate (70%-<90%) and five (21%) were in the highest funding rate (90%+). Unlike the districts' pattern, the number of charter schools in the lowest funding rate (lowest poverty) has increased in recent years, while the number qualifying for the middle funding rate decreased. The number of charters in the highest funding rate also increased. The ADE rules require charter schools to participate in the National School Lunch program—the federal meal program—to be eligible to receive any NSL state categorical funds. Every year, some charter schools choose not to participate in the federal school lunch program and therefore do not receive any state categorical funding.

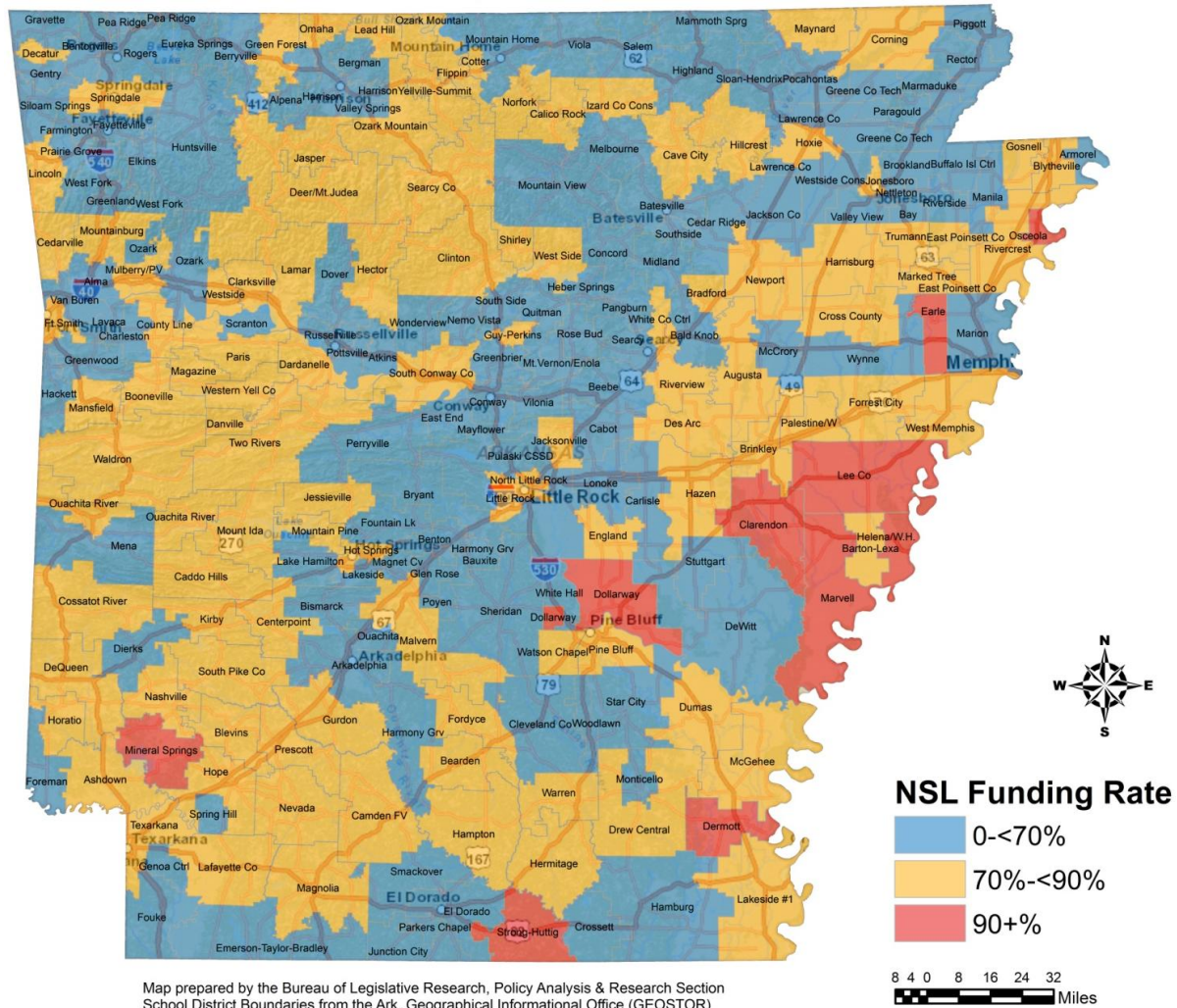


**Data Source:** Arkansas Department of Education, State Aid Notice. The data represent the funding rates that charter schools received each year based on the relevant enrollment counts. Generally, 2015 represents the enrollment data collected in Oct. 2013 of the 2013-14 school year and used to calculate NSL funding distribution for the 2014-15 school year. For charter schools transitioning to a new NSL funding rate (i.e., 69% to 70%), the funding rate the charter was transitioning to is represented above.

\*2017 data are preliminary.

The districts with the highest concentrations of NSL students are primarily located along the eastern edge of the state, as indicated by the following map. Districts with mid-level concentrations of poverty are scattered across the state.

### NSL Funding Rates by District, 2016-17



### Other Types of NSL Funding and Funding Adjustments

In addition to the regular NSL funding, there are two other related state funding programs: NSL growth funding and NSL transitional adjustments.

#### NSL Transitional Adjustments

Districts with NSL percentages that are close to the funding rate break points (for example, 69%-70% and 89%-90%) can easily shift between rates from one year to the next, resulting in significant gains or losses in funding. To ease the transition from one rate to another, Act 811 of 2007 created a provision that allows districts moving from a higher or lower funding rate to receive adjustments over a three-year period. This ensures that districts shift to a higher or lower rate gradually, rather than all at once.

Shifting to a Higher Rate				
From	To	Year One	Year Two	Year Three
69%	71%	\$1,051-(2 X \$175)=	\$1,051-(1 X \$175)=	\$1,051-(0 X \$175)=
\$526	\$1,051	<b>\$701</b>	<b>\$876</b>	<b>\$1,051</b>



Shifting to a Lower Rate				
From	To	Year One	Year Two	Year Three
71%	69%	\$526+(2 X \$175)=	\$526+(1 X \$175)=	\$526+(0 X \$175)=
\$1,051	\$526	<b>\$876</b>	<b>\$701</b>	<b>\$526</b>

In 2016-17, 23 districts received a transitional adjustment. Of those, only two (Midland and Foreman) shifted to a lower rate (lower poverty, less funding), while 21 shifted to a higher rate (higher poverty, more funding). Four open-enrollment charter schools also received transitional adjustments with three moving to a higher rate and one moving to a lower rate. (These numbers do not include districts or charters in their third year of transition when the transitional adjustment is zero.)

	Transitioned to Higher Rate	Transitioned to Lower Rate	Stayed at Same Rate	Total Districts
2012-13	18	3	218	239
2013-14	17	1	220	238
2014-15	21	1	214	236
2015-16	13	3	218	234
2016-17*	21	2	212	235

### NSL Growth Funding

Because NSL funding is based on the prior year’s enrollment data, growing districts receive NSL funding for a smaller number of students than they are responsible for educating. To adjust for this issue, Act 2283 of 2005 created a provision that provides additional NSL funding for growing districts. (This funding is separate from and in addition to the regular student growth funding, which is another appropriation in the Public School Fund.) Districts that have grown at least one percent in enrollment (total enrollment, not free and reduced price lunch students) each of the last three years qualify for NSL growth funding.

For those districts that qualify for funding, the amount provided is calculated by multiplying the three-year average growth in enrollment by the district’s previous year’s NSL percentage. That amount is then multiplied by the district’s per-student NSL funding rate. An example of the NSL growth calculation is provided below.

Year	Enrollment	% Increase	Enrollment Increase	3-Year Average Enrollment Increase	NSL %
2013-14	1,000			12	
2014-15	1,010	1%	10		
2015-16	1,025	1.49%	15		
2016-17	1,036	1.07%	11		75%

<b>3-Year Average Increase in Enrollment</b>			<b>NSL %</b>		<b>NSL Funding Rate</b>		<b>2016-17 Total Growth Funding</b>
12	X	75%	X	\$1,051	=	\$9,459	

A total of \$357,006 in NSL growth funding was provided to eight districts and four charter schools in 2016-17.

	Districts and Charters Receiving NSL Growth Funding		Total NSL Growth Funding		
	Districts	Charters	Districts	Charters	Total
2012-13	11	4	\$512,943	\$58,367	\$571,310
2013-14	14	5	\$722,463	\$312,276	\$1,034,739
2014-15	15	3	\$707,259	\$277,081	\$984,340
2015-16	17	2	\$752,204	\$247,811	\$1,000,015
2016-17*	8	4	\$140,414	\$216,592	\$357,006

\*Data for charters in 2016-17 are preliminary.

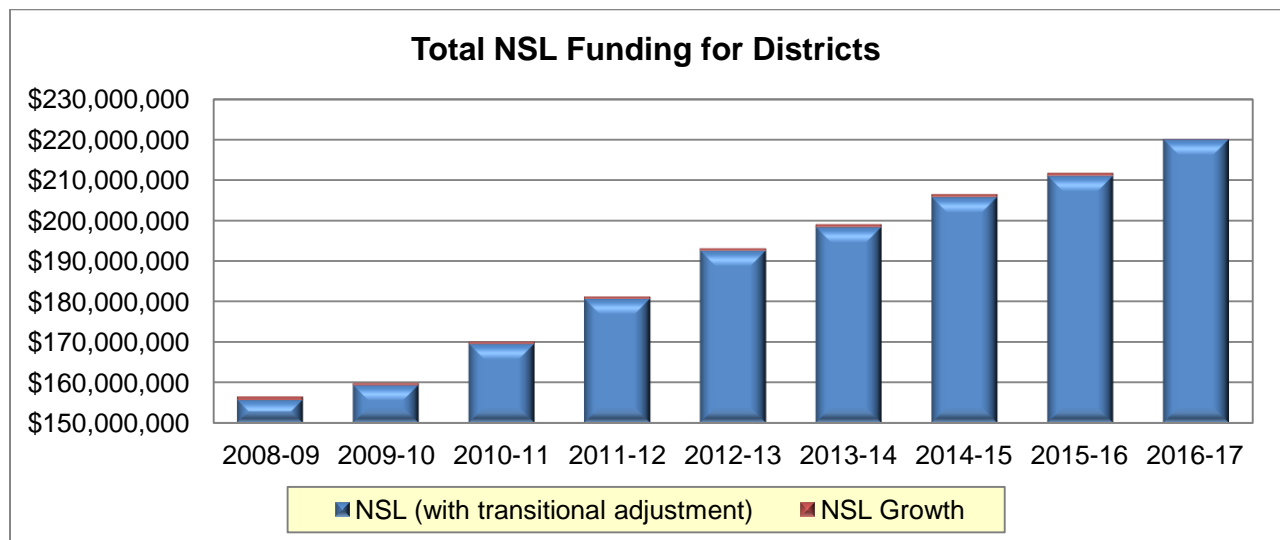
### Total NSL Funding

When NSL growth funding is added and transitional adjustments are applied, the NSL funding districts and charter schools received in 2016-17 totaled more than \$225 million.

	2015-16			2016-17		
	Districts	Charters	Total	Districts	Charters	Total
NSL Funding (with NSL Transitional Adjustments)	\$210,787,952	\$4,467,568	\$215,255,520	\$219,734,914	\$5,106,534	\$224,841,448
NSL Growth	\$752,204	\$247,811	\$1,000,015	\$140,414	\$216,592	\$357,006
<b>Total</b>	<b>\$211,540,156</b>	<b>\$4,715,379</b>	<b>\$216,255,535</b>	<b>\$219,875,328</b>	<b>\$5,323,126</b>	<b>\$225,198,454</b>

**Note:** The funding above does not include NSL funding withheld from districts and a charter school under Act 1220 of 2011.

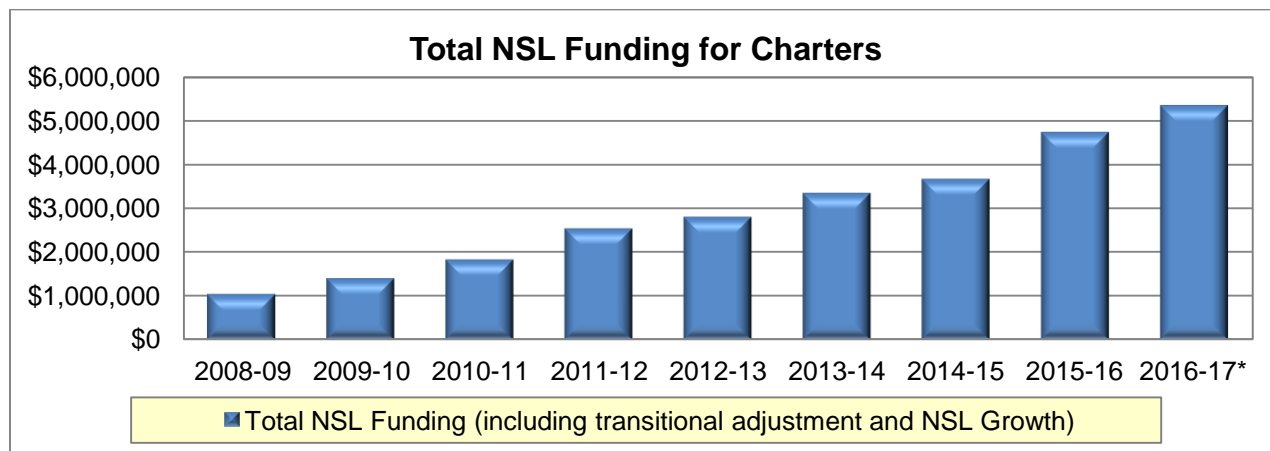
The following chart shows the growth in the amount of NSL funding (including transitional adjustments and NSL growth) provided to districts from 2009 through 2017. Total NSL funding for districts **increased 40% between 2009 and 2017**. For comparison, the total amount of foundation funding provided to districts increased 15% for the same time period. Although NSL per-student funding rates increased in some years (a total of 6% from the 2009 rates), the increase is **largely the result of a growing number of students eligible for free and reduced-price lunch and the increasing number of districts that are moving from a low NSL rate** (less than 70% NSL students for \$526 per FRPL student) **to a higher NSL rate** (70%-89% NSL students for \$1,051 per FRPL student).



**Data Source:** Arkansas Department of Education, State Aid Notices.

**Note:** The amounts in the chart above do not include reductions resulting from excessive fund balances under Act 1220 of 2011.

Total NSL funding has increased substantially for open enrollment charter schools as well. In 2008-09, only 12 of the 17 charter schools operating at the time received NSL funding. The 12 schools received a total of a little over \$1 million. In 2016-17, 20 of the 24 open-enrollment charter schools in operation received NSL funding. These schools received a total of \$5.3 million, more than five times the funding provided to charter schools in 2009.



**Data Source:** Arkansas Department of Education: Annual Statistical Reports 2009-2016, and July 5, 2017 Preliminary State Aid Notice  
**Note:** The amounts in the chart above do not include reductions resulting from excessive fund balances under Act 1220 of 2011.

## Allowable Uses and 2016 Expenditures

Unlike the per-pupil foundation funds, NSL funding is considered restricted, meaning districts and charters can spend NSL dollars only for certain activities. A.C.A. § 6-20-2305(b)(4)(C) requires the State Board of Education to establish by rule a list of approved uses of NSL funds. The statute also provides a list of eligible uses for which districts and charters may expend funding, but it notes that approved uses are not limited to those in statute.

Additionally, ADE rules specify that NSL funds may not be used to “meet or satisfy the Arkansas Standards for Accreditation of Arkansas Public Schools and School Districts.”<sup>13</sup> The Accreditation Standards specify basic requirements districts and schools must comply with—such as maximum class sizes, courses schools are required to teach, and credits students must earn to graduate from high school—to remain accredited by the state. This means, for example, a district cannot use NSL funding to hire a guidance counselor to meet the accreditation requirement of 1 counselor for every 450 students, but the district could use NSL funds to pay for an additional counselor or part of an additional counselor above that level. Additionally, ADE rules prohibit the use of NSL funding to meet the minimum teacher salaries required by law.<sup>14</sup>

ADE rules also specify that NSL funding must be used for programs and purposes that are “research-based and aligned to the Arkansas Content Standards for improving instruction and increasing achievement of students at risk of not meeting challenging academic standards.”<sup>15</sup>

The following chart lists the allowable uses specified in statute and the year in which the allowable use was adopted by the Legislature. It also lists the allowable uses spelled out in ADE’s Rules Governing the Distribution of Student Special Needs Funding.

<sup>13</sup> Arkansas Department of Education, Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds, May 2016, 6.06

<sup>14</sup> Arkansas Department of Education, Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds, May 2016, 6.06

<sup>15</sup> Arkansas Department of Education, Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds, May 2016, 6.07

Each allowable use that does not have a year in the first column (“Year Added to Statute”) was added by rule only, not statute. The far right column, “% of NSL Exp.,” shows the percentage of all NSL expenditures statewide spent on each allowable use during the 2015-16 school year. (All expenditures described in this report are from the 2015-16 school year because 2016-17 expenditures have not been finalized.)

The uses recommended by the state’s original education consultants—tutors and pupil support services—are shaded in light blue. (The consultants also recommended before- and after-school programs and summer school if tutoring was insufficient. See page 1 for more information about the consultants’ recommendations.)

Collectively, **districts spent the highest amount of NSL dollars on curriculum specialists/instructional facilitators, other activities not specified by law or rule but approved by ADE, and transferring their NSL funds to other categorical programs** (professional development, alternative learning environments, and English language learners) where they can be spent on those purposes. In their 2016 Adequacy Report, the Education Committees recommended no increases to the FY18 or FY19 NSL funding rates. However, they did recommend supplementing the existing NSL funds with an **additional \$4.3 million for a separate matching grant program** to be used to help districts provide **tutoring services, pre-K programs and before- and after-school programs**. During the 2017 legislative session, the General Assembly approved that recommendation, passing Act 1044, which appropriated \$4.3 million to ADE for a statewide NSL matching grant program in FY18. Special language (Section 31) specified that the funding was to be used for the recommended purposes and that ADE would promulgate rules, as necessary, to determine how the program would be implemented. ADE officials are currently drafting guidance about the matching grant program. In 2015-16, 169 districts and charter schools spent a total of about \$16.8 million on tutoring, pre-K and before- and after-school programs, while 84 did not spend any NSL funds in these areas. (Another three charter schools did not receive NSL funding in 2015-16, and therefore had no NSL expenditures.)

Year Added to Statute	Arkansas Code	ADE Rules	% of NSL Exp. in 2015-16
2003 amend 2005	Classroom teachers, provided the district meets the minimum salary schedule without using NSL funds	Highly qualified classroom teachers in K-12 to reduce the pupil-to-teacher ratio below those required by the Accreditation Standards	6.7%
2003	Curriculum specialists	Curriculum specialists and instructional facilitators or literacy, mathematics, or science specialists/coaches that meet specified requirements. The rules recently added data coaches and school improvement specialists to the definition of staff considered part of this category.	19.0%
2003	Before- and after-school academic programs, including transportation	Research-based before- and after-school academic programs, including transportation	2.2%
2003	Pre-kindergarten programs coordinated by the Department of Human Services	Research-based pre-kindergarten programs that meet the program standards as outlined in the Rules Governing the Arkansas Better Chance program.	3.7%
2003	Tutors	Tutors	1.9%
2003	Teachers' aides	Teacher's aides	9.1%



Year Added to Statute	Arkansas Code	ADE Rules	% of NSL Exp. in 2015-16
2003	Counselors, social workers, and nurses	Licensed counselors and nurses above the mandates of the Standards for Accreditation; human service workers, licensed mental health counselors, licensed certified social workers or licensed social workers	9.0%
2003	Parent education	Parent education that addresses the whole child	.3%
2003	Summer programs	Summer programs that implement research-based methods and strategies targeted at closing the achievement gap	.9%
2003	Early intervention programs	Early intervention programs	4.6%
2003	Materials, supplies, and equipment, including technology, used in approved programs or for approved purposes	Materials, supplies, and equipment, including technology, used in approved instructional programs or for approved purposes	**
2007	Supplement all classroom teacher salaries, after minimum teacher salary schedule is met	Bonuses or supplements to salaries above the minimum salary schedule	2.1%
2007, 2011	Allow each student in grade 11 to take the ACT Assessment without charge to the student by using district funding (however, statute does not specify NSL funding); Operate and support a postsecondary preparatory program	Paying for students in grade 11 to take the ACT Assessment, pursuant to the Voluntary Universal ACT Assessment Program or operating a postsecondary preparatory program.	.01%
2009	In a chronically underperforming school's comprehensive school improvement plan, ADE shall direct the use of NSL funds for strategies to close gaps in academic achievement, including: <ul style="list-style-type: none"> <li>Using an Arkansas Scholastic Audit;</li> <li>Using disaggregated school data to set academic improvement targets in reading, writing, mathematics, and science;</li> <li>Using improvement targets to define professional development needs related to content, instruction, differentiation, and best practices in educating student subgroups;</li> <li>Developing interim building-level assessments to monitor student progress toward proficiency on the state benchmark assessments;</li> <li>Developing a plan to immediately address gaps in learning;</li> <li>Examining and realigning, as needed, school scheduling, academic support systems, and assignments of personnel; and</li> <li>Designing a plan for increasing parental knowledge and skill to support academic objectives; and</li> </ul>	A chronically underperforming school's ACSIP shall provide for the use of national school lunch state categorical funding to fund without limitation the following: <ul style="list-style-type: none"> <li>Use of an Arkansas Scholastic Audit.</li> <li>Use of disaggregated school data to set academic targets in reading, writing, mathematics, and science.</li> <li>Use of improvement targets to define professional development needs related to content, instruction, differentiation, and best practices in educating student subgroups as identified in need.</li> <li>Development of interim building-level assessments to monitor student progress toward proficiency on the state benchmark assessments.</li> <li>Development of a plan to immediately address gaps in learning.</li> <li>Examination and realignment, as needed, of school scheduling, academic support systems, and assignment of personnel to improve student achievement.</li> <li>Design of a plan for increasing parental knowledge and skill to support academic objectives.</li> <li>Evaluation of the impact of the before-mentioned educational strategies on student achievement.</li> </ul>	10.7%

Year Added to Statute	Arkansas Code	ADE Rules	% of NSL Exp. in 2015-16
2011	Federal child nutrition program free meals under the Provision 2 program or free meals for reduced-price students	Expenses of federal child nutrition programs to the extent necessary to provide school meals without charge to all students under the Provision 2/CEP programs or students otherwise eligible for reduced-price meals	1.4%
2011	Expenses directly related to a longer school day or school year	Expenses directly related to funding a longer school day or school year	0%
2011, amend 2015	Partnering with higher education institutions and technical institutes to provide concurrent courses or technical education	Partnering with higher education institutions and technical institutes to provide concurrent courses or technical education	.04%
2011	Teach For America professional development	Teach For America professional development	.04%
2011	The Arkansas Advanced Initiative for Math & Science	Implementing components of the Arkansas Advanced Initiative for Math and Science	.003%
2011	College and career coaches.	College and career coaches, as defined by the Department of Career Education	.2%
2011 <sup>16</sup>	Transfers to other categorical funds	After having provided programs designed to meet the needs of students in the respective categorical funding areas, a school district may transfer and expend funds on any of the special needs categories allowed for by rule.	10.8% (ALE, 6.8%; ELL, 1.8%; PD, 2.2%)
2013	Program using arts-infused curriculum		**
NA		Research-based professional development in the areas of literacy, mathematics, or science in K-12	1.9%
NA		School Resource Officers whose job duties include research-based methods and strategies tied to improving achievement of students at risk	**
NA		Experience-based field trips	**
NA		Coordinated school health coordinator	**
NA		Developing and implementing interim building-level assessments to monitor student progress toward proficiency on state assessments.	**
NA		Other activities approved by the ADE. Such activities include, but are not limited to, research-based activities and activities directed at chronically underperforming schools.	15.3%

\*\* These uses do not appear to have a specific expenditure code (program code) for districts to use to record these types of expenditures.

## Uses Requiring Special Permission

Three of the allowable uses of NSL funding require districts and charters to obtain special permission from ADE before spending NSL funding for those purposes:

1.) **Hiring classroom teachers to reduce class sizes.** ADE rules specify that districts that want to use NSL funding to hire additional teachers to reduce class sizes must submit a written detailed plan explaining how they will use the money to pay for only specified teachers and how they will use those teachers in accordance with research-based programs targeting academic deficiencies or

<sup>16</sup> Statutory language was added in 2011 (Act 1220 of 2011) that specifically permits districts to transfer funding between categorical funds. However, districts transferred funding between categorical funds prior to the statute's enactment.

district needs.<sup>17</sup> An ADE official indicates that over the last couple of years, following a change in the law regarding the level of detail about NSL funding required in districts' school improvement plans, districts' requests to hire additional teachers and ADE approval have been handled verbally.<sup>18</sup>

2.) **Providing bonuses to teachers (supplementing salaries).** ADE rules specify that districts that want to use NSL funding to pay bonuses to teachers must request permission from ADE and that no more than 20% of a district's current year NSL funding may be used for this purpose. Districts are eligible to use NSL funding for bonuses only if they meet a variety of criteria, including that they are meeting the adequate educational needs of students, prudently managing their resources, and fully complying with the Accreditation Standards.<sup>19</sup> In 2015-16, nine districts requested approval to use NSL funding for this purpose, and seven were approved.<sup>20</sup> However, APSCN data recorded by districts, indicate a number of other districts used NSL funding for this purpose, suggesting either that districts are paying for bonuses without obtaining the required permission or that they are miscoding their expenditures in APSCN.

3.) **Other activities not specified by law or rule as approved by ADE.**<sup>21</sup> An ADE official indicated that the Department requires districts to complete a form to request permission to use NSL funding for a purpose not specified in rule or law.<sup>22</sup>

## NSL Funding Uses and Student Achievement

Policymakers have frequently asked what types of programs are most helpful in raising student achievement among targeted students. The following table shows the spending patterns of districts based on the performance level of low-income students on state assessments. Districts were divided into quartiles based on their percentage of low-income students who scored "Ready" or "Exceeding" on state assessments. A proficiency percentage was calculated for FRPL students taking an English language arts (ELA) ACT Aspire exam, and another proficiency percentage was calculated for FRPL students taking a math ACT Aspire exam. An average of the two proficiency percentages was then calculated. Districts were ranked based on this average and placed in quartiles.

The following table shows the average percentage of all NSL expenditures spent by districts in each quartile for each allowable use. For example, the districts and charters in the highest scoring group—the districts and charter schools with the highest achievement among FRPL students—collectively spent 8.8% on average of their NSL dollars on classroom teachers. The data show few discernible patterns in terms of NSL spending among the districts with different levels of student achievement among low-income students. However, the higher achieving group spent proportionally more of their NSL dollars on instructional facilitators and on fund transfers to their alternative learning environment funds. However, it's possible these spending patterns may be as reflective of the other types of funding districts have available to them, as of their spending priorities for low-income students or the effectiveness of any particular funding use.

<sup>17</sup> Arkansas Department of Education, Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds, May 2016, 6.06.3

<sup>18</sup> Harvey, E., Arkansas Department of Education, Sept. 14, 2017 email and phone call.

<sup>19</sup> Arkansas Department of Education, Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds, May 2016, 6.11

<sup>20</sup> Martin, P., Arkansas Department of Education, Sept. 15, 2017 email

<sup>21</sup> Arkansas Department of Education, Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of Those Funds, May 2016, 6.07.32

<sup>22</sup> Harvey, E., Arkansas Department of Education, Sept. 14, 2017 email and phone call.

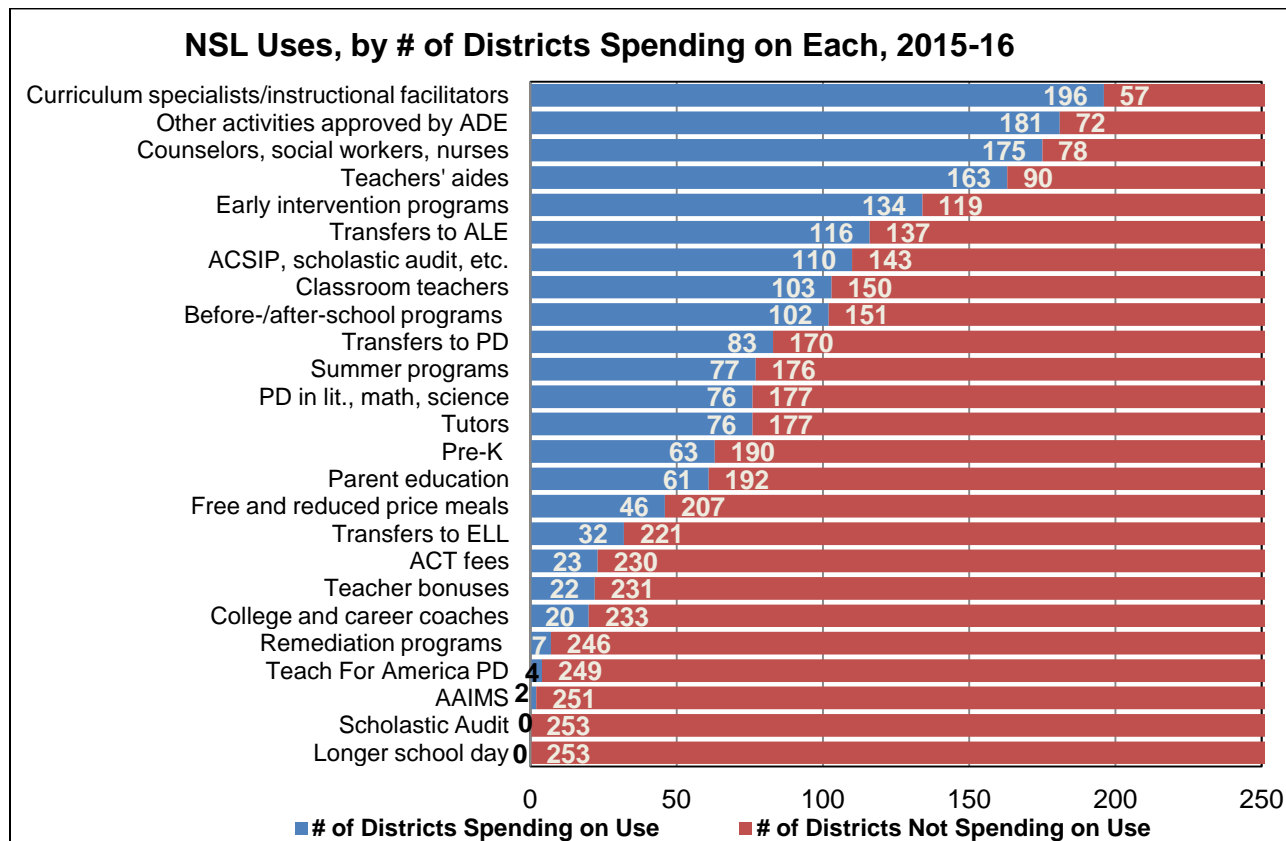
Allowable Use	Lowest Achieving FRPL			Highest Achieving FRPL
<b>Classroom teachers</b> , provided the district meets the minimum salary schedule without using NSL funds	9.9%	8.0%	7.6%	8.8%
<b>Curriculum specialists</b> , coaches & instructional facilitators	16.4%	17.7%	18.8%	23.0%
<b>Before- and after-school academic programs</b> , including transportation to and from the programs	2.1%	2.0%	1.1%	1.5%
<b>Pre-kindergarten programs</b>	1.9%	4.2%	1.4%	1.5%
<b>Tutors</b>	1.7%	3.1%	3.1%	2.7%
<b>Teachers' aides</b>	11.1%	9.7%	10.6%	7.9%
<b>Counselors, social workers, and nurses</b>	6.3%	12.3%	11.2%	8.9%
<b>Parent education</b>	0.5%	0.5%	0.2%	0.2%
<b>Summer programs</b>	1.0%	1.9%	0.8%	0.5%
<b>Early intervention programs</b>	3.0%	3.7%	3.6%	4.5%
<b>Materials, supplies, and equipment</b> , including technology used in approved programs or for approved purposes				
<b>Supplement all classroom teacher salaries</b> , after minimum teacher salary schedule is met	2.2%	2.2%	0.9%	1.3%
Federal <b>child nutrition program free meals</b> under the Provision 2 program or free meals for reduced-price students	2.5%	0.7%	0.7%	1.0%
Expenses directly related to a <b>longer school day or school year</b>				
<b>Remediation programs</b> , partnering with higher education institutions	0.0%	0.0%	0.0%	0.1%
<b>Teach For America professional development</b>	0.1%	0.0%	0.0%	0.0%
<b>The Arkansas Advanced Initiative for Math and Science</b>	0.0%	0.0%	0.0%	0.0%
<b>College and career coaches.</b>	0.3%	0.2%	0.4%	0.2%
<b>Transfers to ALE</b>	4.3%	5.5%	5.4%	7.0%
<b>Transfers to ELL</b>	0.4%	0.3%	1.2%	0.9%
<b>Transfers to PD</b>	2.3%	2.1%	1.9%	3.0%
Program using <b>arts-infused curriculum</b>				
Research-based <b>professional development</b>	1.7%	1.0%	1.6%	1.9%
Activities related to an underperforming school's <b>ACSIP</b>	9.9%	10.8%	8.5%	9.9%
Paying for students in grade eleven (11) to take the <b>ACT</b>	0.1%	0.0%	0.4%	0.1%
<b>Other activities approved by the ADE.</b>	22.3%	14.1%	20.6%	15.2%

**Note:** The analysis above does not include Haas Hall Bentonville, Haas Hall Academy in Fayetteville or the Arkansas Virtual Academy because they do not receive NSL funding.

The funding can also be examined by the number of districts and charter schools that spent NSL funds—of any amount—on each funding use. The **most popular NSL use**, as shown in the following chart was **curriculum specialists and instructional facilitators**, followed by **other ADE-approved activities** (those not specified by one of the other use categories) and **pupil support services**. Instructional facilitators and pupil support staff are funded through the foundation funding formula, known as the matrix, but many districts opt to use NSL funding to pay for them because foundation dollars are more flexible. Foundation funding is unrestricted, meaning districts can spend that money however best meets their needs.

The NSL spending patterns largely mirror those from recent years, with one exception: **early intervention programs**. At the time of the last Adequacy Study report on NSL funding, which examined expenditures from the 2013-14 school year, just 34 districts used NSL funding (nearly \$2.5 million) for early intervention programs. In 2015-16, 133 districts and one charter school used

nearly \$10 million in NSL funding for early intervention programs. This increase may be due to guidance, made explicit in ADE rules, that allows NSL funds to be used for interventions required for students identified with dyslexia.<sup>23</sup> State statute § 6-41-603(c)(2)(A) (originally enacted by Act 1294 of 2013) requires school districts to provide intervention services to any student who, following required screenings, “exhibits characteristics of dyslexia.”



**Note:** Three charter schools received no NSL funding in 2015-16 and had no NSL expenditures.

NSL expenditures can also be viewed by more general categories, such as whether it was used to pay for employees, contracted services (e.g., school improvement consultants) or supplies. The majority of NSL expenditures—about 63% for school districts and about 79% for charter schools—went toward employee salaries and benefits.

Expenditure Category	% of Total NSL Expenditures	
	Districts	Charter Schools
Salaries and Benefits	63.2%	79.2%
Purchased Services	10.9%	10.1%
Supplies and Materials	11.1%	7.9%
Property	1.8%	0.8%
Other Uses	12.9%	2.0%

In 2015-16, districts and charters received about \$216.3 million in NSL funding (including NSL transitional adjustments and NSL growth funding), and collectively they spent about \$214.9 million, including \$23.2 million that they transferred from NSL funds to other categorical funding programs. NSL funding can be carried over from one year to the next, allowing districts to spend any funding left over in the following years.

<sup>23</sup> ADE Commissioner’s Memo, LS-16-018, September 9, 2015



2015-16		
	NSL Funding Received	NSL Expenditures
Districts	\$211,540,156	\$210,479,247
Charters	\$4,715,379	\$4,410,131
<b>Total</b>	<b>\$216,255,535</b>	<b>\$214,889,378</b>

**Note:** The funding above does not include NSL funding withheld from districts and a charter school under Act 1220 of 2011.

## NSL Fund Balances

Because districts are allowed to carry over unspent NSL funds from one year to the next, they frequently end the year with NSL fund balances. Collectively, districts and charter schools had \$18.47 million in NSL fund balances, or about \$65 per NSL student at the end of 2015-16 (based on NSL student figures used to calculate NSL funding for 2015-16). At the end of 2015-16, 216 districts had NSL fund balances (though 48 of those districts had relatively small fund balances under \$10,000). Fourteen of the 22 charter schools operating in 2015-16 had NSL fund balances, with seven of those carrying balances under \$10,000.

	Total NSL Fund Balance	Districts	Charters
2010-11	\$27.06 million	213	12
2011-12	\$22.05 million	213	10
2012-13	\$18.45 million	222	7
2013-14	\$17.56 million	225	9
2014-15	\$16.96 million	220	10
2015-16	\$18.47 million	216	14

2015-16 Ending Fund Balance	Number of Districts	Number of Charter Schools
\$0	18	8
1-\$50,000	126	12
\$50,001-\$100,000	49	0
\$100,001-\$500,000	35	2
\$500,001-\$1,000,000	6	0
Total	234	22

Section 3 of Act 1220 of the 2011 Regular Session (A.C.A. § 6-20-2305(b)(4)(F)) requires districts to spend at least 85% of the total NSL allocation they receive each year. At the end of the year, a district or charter school with an NSL fund balance above 15% of its current year allocation can be penalized. The statute allows ADE to withhold a portion of the district's NSL funding equal to its overage in the following year. The legislation created a special provision for districts with excessive fund balances the first school year after the law took effect. It allowed districts and charter schools with excessive NSL fund balances at the end of the 2011-12 school year to spend down their balances in increments over 10 years. With the exception of those districts and charter schools, districts with excessive NSL fund balances in a given year are penalized the full amount in the next school year.

The law also allows ADE to redistribute to other districts any funding it withholds. While ADE has assessed penalties each year, it has never opted to redistribute the funding to other districts as new money (though ADE has reserved the funding and distributed as routine funding in subsequent years).

Six districts and 1 charter school were unable to adequately spend down their NSL fund balances in either 2014-15 or 2015-16, and ADE withheld the following amounts from their NSL funding in

2015-16 and 2016-17. (Several other districts were unable to spend down their *aggregate* balance of all four categorical funds, and ADE withheld NSL funds for that reason. Spending down aggregate categorical balances is another requirement of Act 1220 of 2011, which is discussed in greater detail in a separate memo accompanying this report.)

District/Charter	2015-16 Amount Withheld	2016-17 Amount Withheld
Bay	(\$3,053)	
Cleveland County	(\$73,059)	
Fordyce	(\$26,673)	
Palestine-Wheatley	(\$198,364)	(\$55,755)
Responsive Ed Quest Middle School Little Rock	(\$1,976)	
Bearden		(\$19,985)
Osceola		(\$72,514)

### Poverty Funding In Other States

Like Arkansas, many states provide additional funding to school districts based on low-income or at-risk student populations. However, the way the funding is distributed and the restrictions on its use varies by state. According to a June 2016 report produced by the Education Commission of the States, **43 states and Washington D.C. provide additional funding for at-risk students.**<sup>24</sup>

Twenty-four of those states provide additional funding through a weight applied to their basic funding formulas (e.g., for each student in Louisiana who is eligible for free or reduced price lunch, school districts receive 1.22 multiplied by the basic per-student funding amount; they receive just the basic per-student funding amount for students who are not eligible). Another 20 states, including Arkansas, provide the funding through a categorical program, separate from the basic per-student funding formula. In states that use a weight, the **weights range from .04 (Arizona) to .97 (Maryland)**. For reference, if Arkansas's 2016-17 NSL funding rates were expressed as a weight, they would be 1.08, 1.16, and 1.24. Like Arkansas, seven other states appear to provide increased rates of funding to districts as their concentrations of poverty increase.

**States also vary in the type of student on which they base the additional funding.** Including Arkansas, **28 states use students' National School Lunch eligibility** as the basis for distributing their at-risk funding. However, some states fund districts based on their free lunch students only, not their reduced price lunch students, while others use FRPL eligibility in conjunction with other criteria. For example, New Mexico uses a measure that considers a district's federal Title I students (see next section for information about Title I funding), their English language learners and a measure of student mobility (students moving in or out of a district). **Other states base their at-risk funding on students' unsatisfactory academic performance or their eligibility for other government programs** such as Supplemental Nutrition Assistance Program, Medicaid or Temporary Assistance for Needy Families.

### Federal Funding for Low-income Student Populations

NSL state categorical funding is not the only type of funding districts receive to support the education of students in poverty. Districts also receive federal Title I funds for this purpose. While there are several types of Title I funding, the basic component is Title I, Part A. This funding is awarded to districts based, in part, on U.S. Census poverty counts (students whose family income is 100% or less of the federal poverty level [FPL]), not the number of students who are eligible for free or reduced price lunch (students whose family income is 185% or less of the FPL). Districts

<sup>24</sup> Parker, E. and Griffith, M., Education Commission of the States, Policy Analysis, The Importance of At-Risk Funding, June 2016, <https://www.ecs.org/the-importance-of-at-risk-funding/>

must target the money on their schools with the highest concentrations of poverty, and schools must spend Title I funding on services for students who are failing academically or who are at risk of not meeting state academic standards.<sup>25</sup>

According to the Title I revenues districts reported in APSCN, all districts and all but three charter schools received Title I, Part A funding in 2015-16. Collectively districts and charter schools received about \$148.6 million in Title I, Part A funds, or about \$512 per free or reduced price lunch student.<sup>26</sup> The funding levels ranged from about \$15,000 (Responsive Education Solutions, Quest Middle School of Little Rock, a charter school) to nearly \$9 million (Little Rock School District).

## Student Achievement

### State Assessments

One way to assess the impact of NSL funding is by examining the performance of students who are eligible for free or reduced price lunch. (That said, there has been some disagreement in the education community about who the NSL funding is intended to serve, with some arguing it was intended to support low-income students, some arguing it was for all students struggling academically and some arguing it was designed to support all students, not a particular subgroup.<sup>27</sup>) Past analysis of the performance on state assessments by free and reduced price lunch students compared with that of non-eligible students has shown an increase in the performance of both groups, but very little narrowing in the gap between them.<sup>28</sup>

Changes in the state's test from the Benchmark assessment in 2013-14, to the PARCC (Partnership for Assessment of Readiness for College and Careers) assessment in 2014-15 to the ACT Aspire in the most recent two years, makes it challenging to compare year-over-year improvement in the scores of low-income students. What's more, increased participation by schools and districts in the CEP program (which counts all students in a participating school or district as free lunch students) makes assessing actual improvement (as opposed to improvement due to counting more affluent students' scores in the low-income student subgroup) challenging.

Finally, NSL funding can be considered only one small factor in the academic performance of low-income students. While the more than \$200 million in NSL funding is a significant resource for schools, it accounts for just a little over 4% of districts' total revenue.

The following charts show the percentage of students who took an ACT Aspire assessment in 2015-16 and scored in each of the following categories:

- In need of support (lowest score range)
- Close
- Ready
- Exceeding (highest score range)

The following charts compare the proportion of students in each category when grouped by those who are eligible for free or reduced price lunch (low income) and those who are not eligible (more

<sup>25</sup> U.S. Department of Education, Improving Basic Programs Operated by Local Educational Agencies (Title I, Part A). Retrieved at <http://www2.ed.gov/programs/titleiparta/index.html>.

<sup>26</sup> This calculation uses 290,197 as the total number of free and reduced price lunch students in 2015-16.

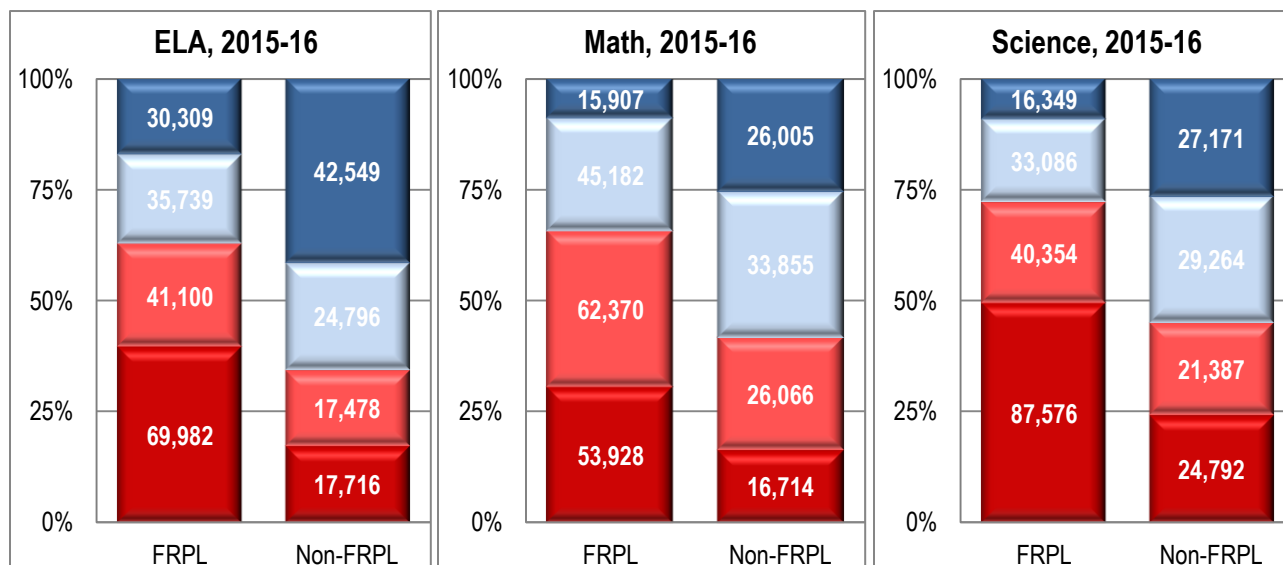
<sup>27</sup> Arkansas Bureau of Legislative Research, Memo to Sen. Johnny Key and Rep. James McLean, July 19, 2013, <http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2014/2014-01-07/06-Referenced%20in%20Meeting%20-%20Original%20Intent%20of%20NSL%20Funding.%20BLR.%207-19-2013.pdf>

<sup>28</sup> Arkansas Bureau of Legislative Research, National School Lunch State Categorical Funding and Expenditures, September 15, 2015, [http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2016/2015-09-15/07-NSL%20State%20Categorical%20Funding%20and%20Expenditures%20Report.%20BLR%20\(25\).pdf](http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2016/2015-09-15/07-NSL%20State%20Categorical%20Funding%20and%20Expenditures%20Report.%20BLR%20(25).pdf)



affluent). The achievement gap between the low-income student population and the non low-income student population is narrowest in math and widest in English language arts (ELA).

	% Ready or Exceeding		Percentage Point Gap
	FRPL (low income)	Non-FRPL (more affluent)	
ELA	37.3%	65.7%	28.4
Math	34.4%	58.3%	23.9
Science	27.9%	55.0%	27.1



Data Source: Feng, J., Office of Innovation for Education, Nov. 15, 2016 email.

Additionally, very large gaps exist between the two student groups in the highest and lowest scoring levels. For example, just 17% of low-income students scored in the “exceeding” category on the ELA assessment, while 41% of non-low-income students scored “exceeding”, a 24 percentage point difference. On the science assessment, nearly half of the low-income students scored in the lowest category “in need of support”, compared with 24% of non-low-income students, a 25 percentage point gap.

### National Assessment of Educational Progress (NAEP)

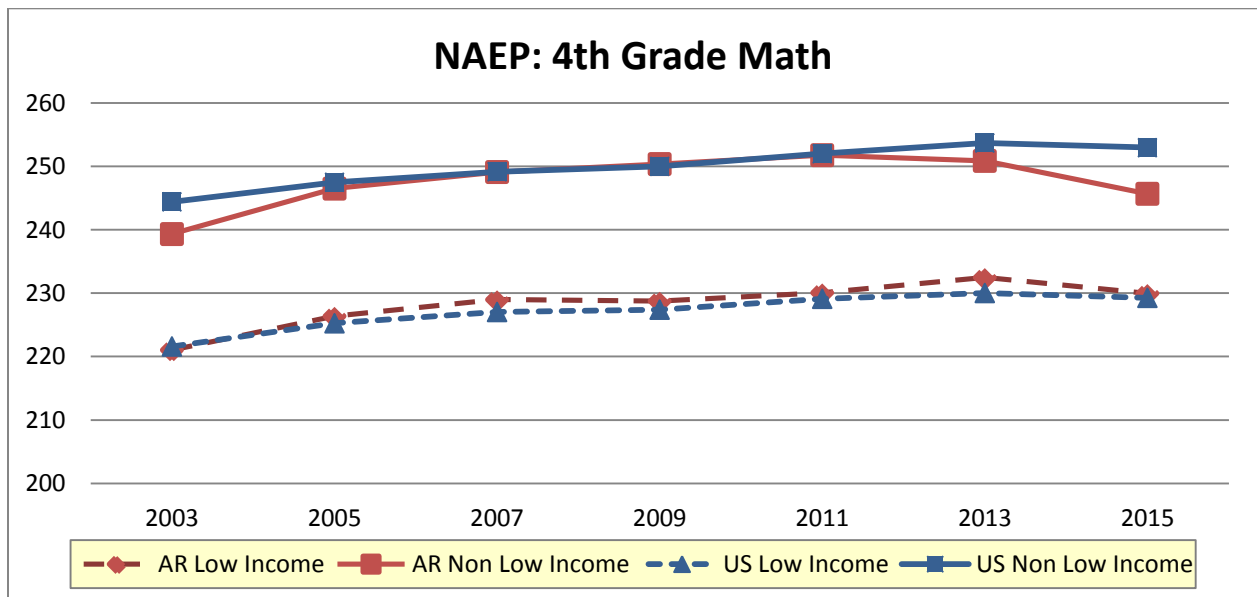
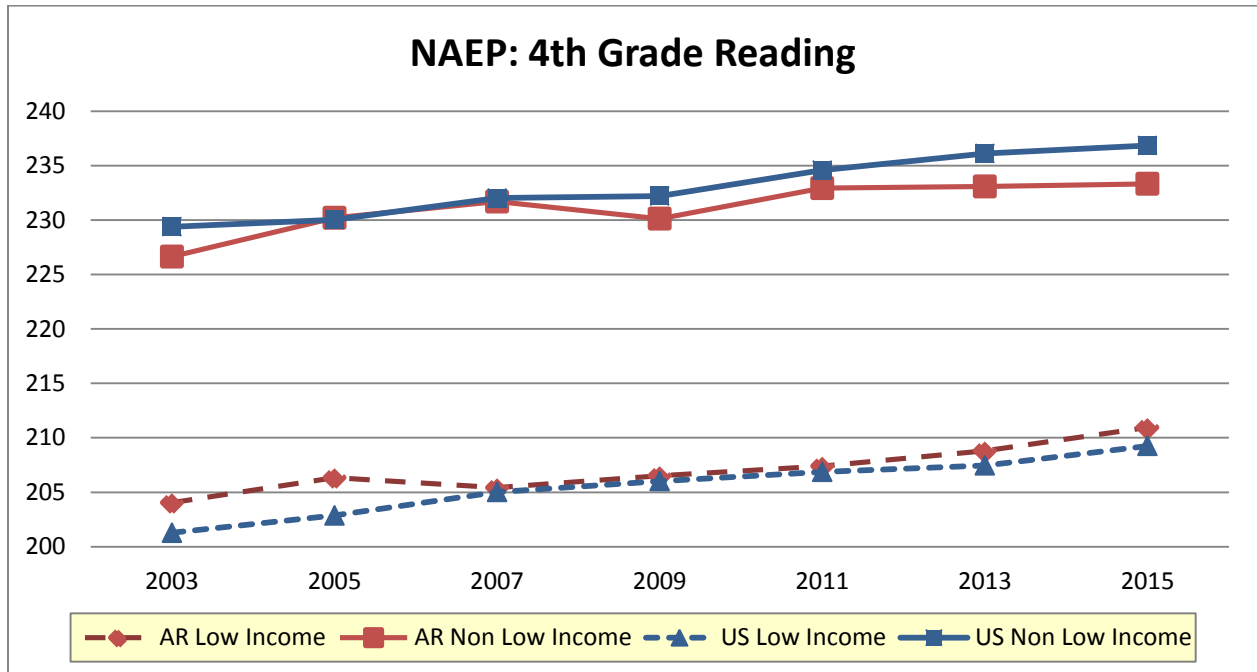
Because each state assesses students using its own test, it is difficult to accurately compare student proficiency from one state to another in the same way that the state compares one school’s or one district’s student performance with another. The best way to compare the student achievement of low-income students in Arkansas with those in other states is with the National Assessment of Educational Progress (NAEP) scale scores.

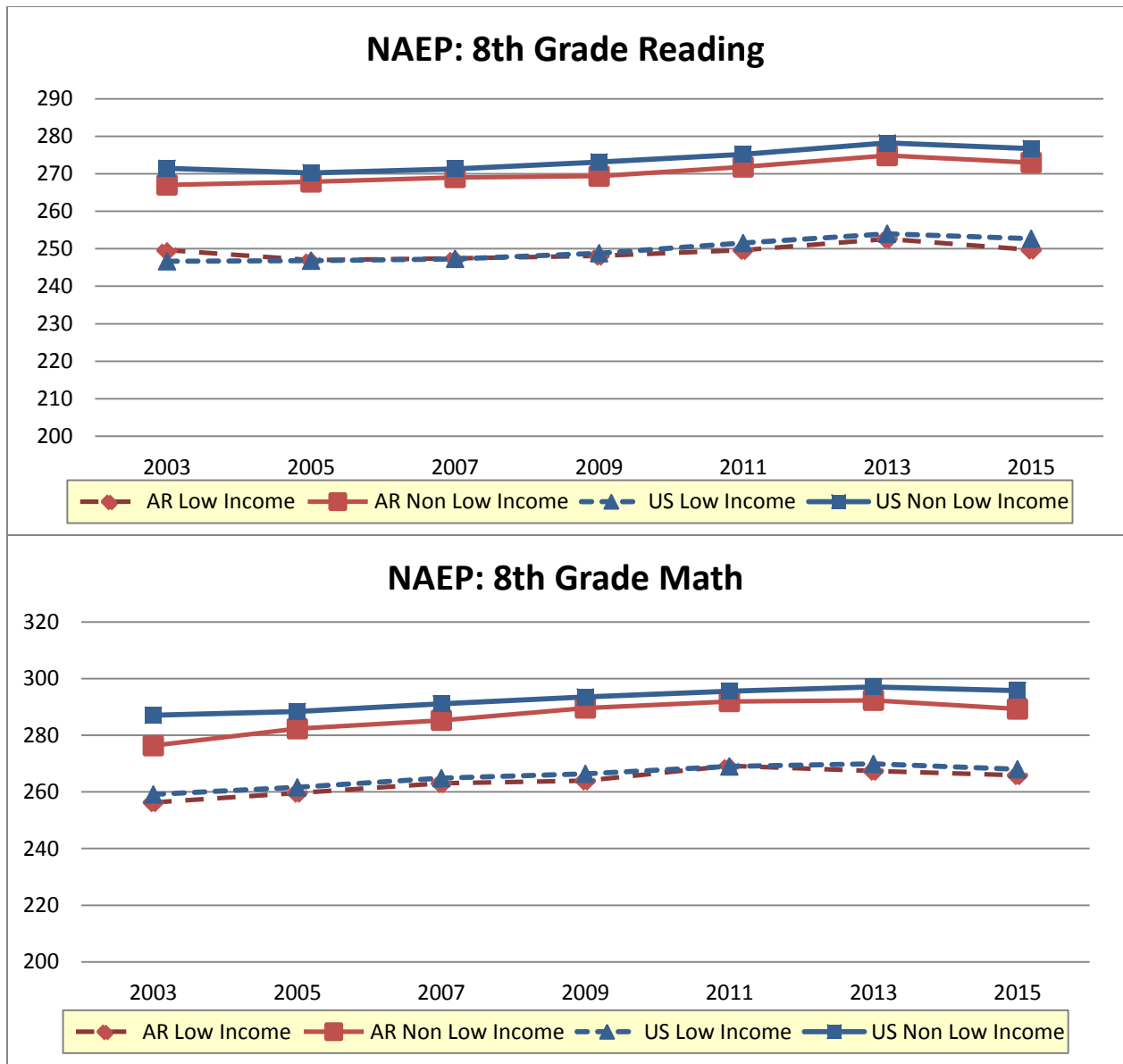
NAEP scores are based on a random sample of students in each state — not the entire state population of students. Therefore, these scores are estimates with sampling errors. If the entire population had been tested, the score may have differed somewhat.

The following charts show how the average scale score for Arkansas’s low-income students (those eligible for free or reduced-price lunch) and non low-income (not eligible for free or reduced-price lunch) compares with the average scale scores in surrounding states and nationally. **Arkansas’s low-income 4<sup>th</sup> grade students typically outperform the national average for low-income students, while the state’s non low-income 4<sup>th</sup> students tend to score below the national**

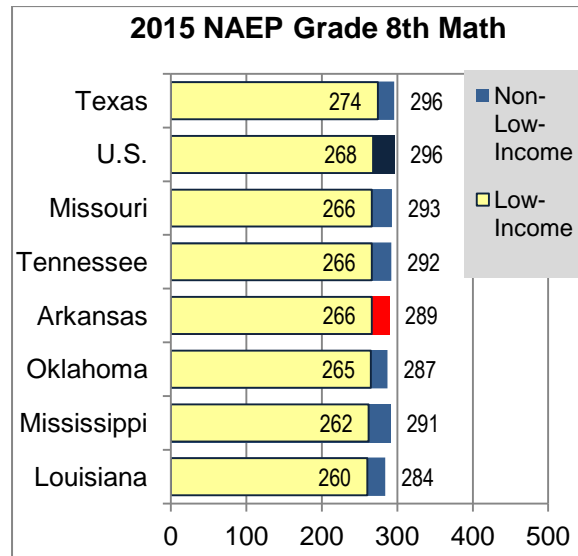
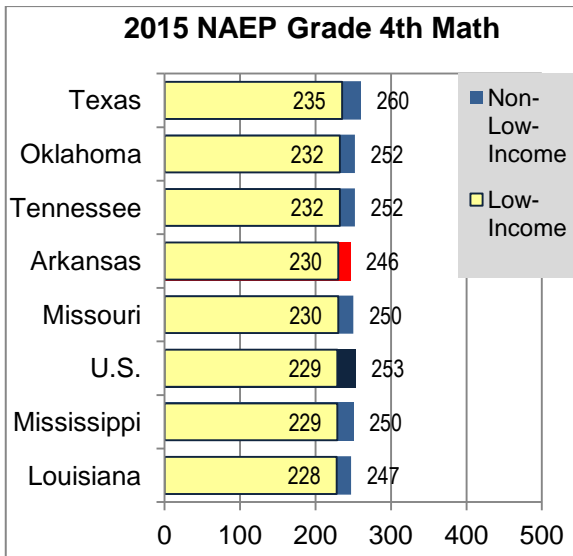
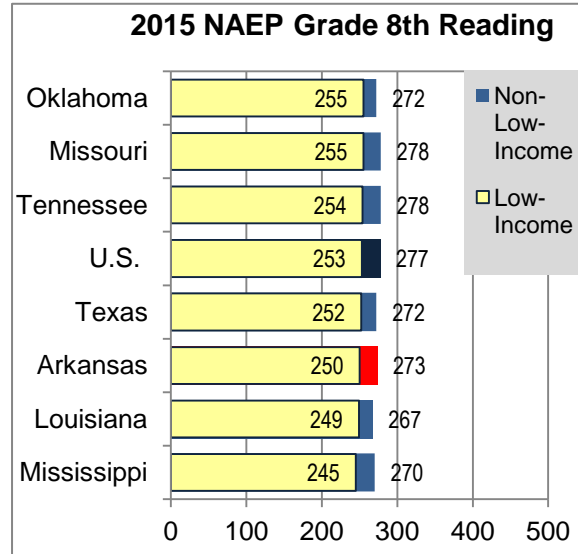
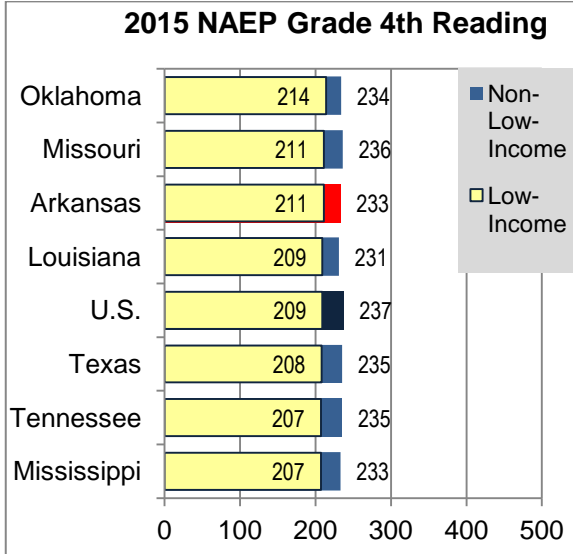
average for their counterparts. Arkansas's 8<sup>th</sup> grade students—both low income and non-low income—typically perform below the national average, but the state's low-income students perform closer to the low-income national average than the state's more affluent students compared with their counterparts nationally.

Additionally, both Arkansas and the U.S. have a pronounced achievement gap between low-income and non low-income students that does not appear to be narrowing. However, the **Arkansas gap is narrower than the U.S. gap in all four assessments** listed in the charts below.





The following tables show how Arkansas's low-income students compared with low-income students in surrounding states on the 2015 NAEP assessment. Arkansas's low-income 4<sup>th</sup> graders ranked third and fourth among surrounding states in reading and math, respectively, while Arkansas's 8<sup>th</sup> grade low-income students ranked fourth in math and fifth in reading. The state's non-low-income students did not rank as well.



## Other Reports on NSL Funding Use and Closing the Achievement Gap

In addition to this report which is required by the adequacy study statute, three other reports on NSL funding and expenditures are statutorily required. The Arkansas Department of Education (ADE) is required to produce two reports regarding the use of NSL funding and its impact on closing the achievement gap. One of the two reports must be included in the adequacy study process. That report is due May 31, 2016, and will be provided to the Education Committees at that time. Additionally, the Arkansas Commission on Closing the Achievement Gap is statutorily required to produce an annual report that addresses NSL expenditures.

Statute	Due Date	Entity Responsible	Report Must Address	Links to Reports
6-15-2701 (c)(3)	August 1, annually	ADE	The use of NSL funding by chronically underperforming schools in the state and the status of the achievement gaps at chronically underperforming schools in the state.	Link to past reports: <a href="http://www.arkleg.state.ar.us/education/K12/Pages/InitiativesAndReports.aspx?catId=25">http://www.arkleg.state.ar.us/education/K12/Pages/InitiativesAndReports.aspx?catId=25</a>
6-20-2305 (b)(4)(E)	May 31 of even numbered years	ADE	The impact of NSL funding on closing the achievement gap, including: <ul style="list-style-type: none"> <li>• How school districts spend NSL funds, including specific programs used by school districts;</li> <li>• The amount of NSL funds transferred to other categorical funds, including a reason for the transfers;</li> <li>• The analysis of student achievement data evaluated in growth models, including the evaluation of the best estimates of classroom, school, and school district effects on narrowing the achievement gap.</li> </ul> Report must be included in adequacy study.	Link to the 2016 Report: <a href="http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2016/2016-07-19/06-NSL%20Closing%20the%20Achievement%20Gap%20Report.pdf">http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2016/2016-07-19/06-NSL%20Closing%20the%20Achievement%20Gap%20Report.pdf</a>
6-15-1601	Nov. 1, annually	Commission on Closing the Achievement Gap	<ul style="list-style-type: none"> <li>• Profiles of underachieving students and chronically under-performing schools and districts</li> <li>• Review of policies and programs approved by ADE for NSL expenditures on closing the achievement gap</li> <li>• Child poverty statistics in the state and the impact poverty has on education</li> <li>• Successful strategies with students of poverty</li> <li>• Best practices for teacher preparation for student and language diversity</li> <li>• Review of leadership challenges in closing the achievement gap</li> <li>• Suggested policy changes to improve the achievement gap at the legislative, ADE, and school district level</li> </ul>	Link to the 2015 Report <a href="http://www.arkansased.gov/public/userfiles/Policy_and_Special_Projects/2015_Annual_Report_for_the_Arkansas_Commission_on_Closing_the_Academic_Achievement_Gap_Final_Revision_2_1_16.pdf">http://www.arkansased.gov/public/userfiles/Policy_and_Special_Projects/2015_Annual_Report_for_the_Arkansas_Commission_on_Closing_the_Academic_Achievement_Gap_Final_Revision_2_1_16.pdf</a> According to ADE, the 2016 report has taken more time to complete due to vacancies on the Commission. The 2016 report will be finalized after it is presented to the Board of Education in October. <sup>29</sup>

<sup>29</sup> Griffin, M., Arkansas Department of Education, September 7, 2017 email.

## Summary Conclusion

National School Lunch (NSL) state categorical funding is state money distributed to school districts based on the levels of poverty among their students. The state funding is called NSL funding because eligibility for the federal National School Lunch Act program is used as the measure of poverty. More than 290,000 of the roughly 475,000 students enrolled in the state's school districts and open-enrollment charter schools, or about 61%, are eligible for free or reduced price lunch. Both the number and the percentage of NSL students, has been increasing annually over the last seven years.

The amount of NSL funding districts and charter schools receive is based on the percentage of their students who are eligible for free or reduced-price lunch (NSL students). In 2016-17, districts with less than 70% NSL students received \$526 per FRPL student. Districts with between 70% and 90% NSL students received \$1,051 per FRPL student, and districts with 90% or more FRPL students received \$1,576 per FRPL student. In 2016-17, about 51% of the districts fell into the lowest NSL funding rate (<70%), while 45% were in the middle rate (70%-<90%) and 10 districts (4%) were in the highest funding rate (90%+). The number of districts in the lowest funding rate has decreased in recent years, while those in the middle rate has increased, even as state poverty and unemployment figures decrease.

Total NSL funding for districts increased nearly 40% between 2009 and 2017 largely due to an increasing number of students who are eligible for free or reduced price lunch and an increasing number of districts receiving funding at the higher rates. Additionally, a growing number of charter schools are qualifying for NSL funding, causing NSL funding for charters to quintuple between 2009 and 2017.

NSL funding is considered restricted, meaning districts can spend NSL dollars only for activities specified in statute or rule. Collectively, districts spent the highest amount of NSL dollars on curriculum specialists/instructional facilitators, other activities not specified by law or rule but approved by ADE, and transferring their NSL funds to other categorical programs (professional development, alternative learning environments, and English language learners) where they can be spent on those purposes. When districts were grouped by the student achievement levels of their FRPL students, there was very little difference among the groups' spending patterns.

This report also examined the patterns in student achievement among FRPL students statewide on state and national assessments. FRPL students score between 24 and 28 percentage points below non-FRPL students on the state's ACT Aspire assessment (English language arts, math, and science). The NAEP exam is used to compare Arkansas students' test scores with others' across the country. Arkansas's low-income 4<sup>th</sup> grade students typically outperform the national average for low-income students, while the state's non low-income students tend to score below the national average for non-low-income students. Arkansas's 8<sup>th</sup> grade students of all income ranges generally perform below the national average. However, the achievement gap between the state's low income 8<sup>th</sup> grade students and the national average for low-income students is smaller than the gap between the state's non-low-income students and the national average for non-low-income students.

## Appendix

### National School Lunch State Categorical Funding Amounts, 2016-17

County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	NSL Growth Funding	Act 1220 of 2011 Withholding	Total NSL Funding
ARKANSAS	DEWITT	824	433,424	0	0		433,424
ARKANSAS	STUTTGART	1,062	558,612	0	0		558,612
ASHLEY	CROSSETT	1,074	564,924	0	0		564,924
ASHLEY	HAMBURG	1,108	582,808	0	0		582,808
BAXTER	COTTER	474	498,174	0	0		498,174
BAXTER	MOUNTAIN HOME	2,034	1,069,884	0	0		1,069,884
BAXTER	NORFORK	354	372,054	0	0		372,054
BENTON	BENTONVILLE	4,014	2,111,364	0	51,723		2,163,087
BENTON	DECATUR	464	487,664	0	0		487,664
BENTON	GENTRY	900	473,400	0	0		473,400
BENTON	GRAVETTE	876	460,776	0	0		460,776
BENTON	ROGERS	9,206	4,842,356	0	0		4,842,356
BENTON	SILOAM SPRINGS	2,357	1,239,782	0	0		1,239,782
BENTON	PEA RIDGE	835	439,210	0	18,471		457,681
BOONE	ALPENA	306	160,956	0	0		160,956
BOONE	BERGMAN	608	319,808	0	0		319,808
BOONE	HARRISON	1,300	683,800	0	0		683,800
BOONE	OMAHA	318	334,218	0	0	(332)	333,886
BOONE	VALLEY SPRINGS	442	232,492	0	0		232,492
BOONE	LEAD HILL	287	301,637	0	0		301,637
BRADLEY	HERMITAGE	319	335,269	0	0		335,269
BRADLEY	WARREN	1,172	1,231,772	0	0		1,231,772
CALHOUN	HAMPTON	394	414,094	0	0		414,094
CARROLL	BERRYVILLE	1,337	703,262	0	0		703,262
CARROLL	EUREKA SPRINGS	390	205,140	0	0		205,140
CARROLL	GREEN FOREST	988	1,038,388	0	0		1,038,388
CHICOT	DERMOTT	354	557,904	0	0		557,904
CHICOT	LAKESIDE	886	931,186	0	0		931,186
CLARK	ARKADELPHIA	1,071	563,346	0	0		563,346
CLARK	GURDON	539	566,489	0	0		566,489
CLAY	CORNING	672	706,272	0	0		706,272
CLAY	PIGGOTT	478	251,428	0	0		251,428
CLAY	RECTOR	422	221,972	0	0		221,972
CLEBURNE	CONCORD	299	157,274	0	0		157,274
CLEBURNE	HEBER SPRINGS	917	482,342	0	0		482,342
CLEBURNE	QUITMAN	348	183,048	0	0		183,048
CLEBURNE	WEST SIDE	323	339,473	(113,050)	0		226,423
CLEVELAND	WOODLAWN	221	116,246	0	0		116,246
CLEVELAND	CLEVELAND COUNTY	551	289,826	0	0		289,826
COLUMBIA	MAGNOLIA	2,020	2,123,020	(353,500)	0		1,769,520
COLUMBIA	EMERSON-TAYLOR-BRADLEY	514	270,364	0	0	(639)	269,725
CONWAY	NEMO VISTA	257	135,182	0	0		135,182
CONWAY	WONDERVIEW	270	142,020	0	0		142,020
CONWAY	SO CONWAY COUNTY	1,628	1,711,028	(569,800)	0		1,141,228

County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	NSL Growth Funding	Act 1220 of 2011 With-holding	Total NSL Funding
CRAIGHEAD	BAY	372	195,672	0	0		195,672
CRAIGHEAD	WESTSIDE CONSOLID	980	515,480	0	0		515,480
CRAIGHEAD	BROOKLAND	831	437,106	0	23,253		460,359
CRAIGHEAD	BUFFALO ISLAND CTL	453	238,278	0	0		238,278
CRAIGHEAD	JONESBORO	4,412	4,637,012	0	0		4,637,012
CRAIGHEAD	NETTLETON	2,256	1,186,656	0	0		1,186,656
CRAIGHEAD	VALLEY VIEW	740	389,240	0	0		389,240
CRAIGHEAD	RIVERSIDE	521	274,046	0	0		274,046
CRAWFORD	ALMA	1,764	927,864	0	0		927,864
CRAWFORD	CEDARVILLE	600	630,600	0	0		630,600
CRAWFORD	MOUNTAINBURG	487	511,837	0	0		511,837
CRAWFORD	MULBERRY/PLEASANT VIEW BI-COUNTY	271	284,821	0	0		284,821
CRAWFORD	VAN BUREN	3,794	1,995,644	0	0		1,995,644
CRITTENDEN	EARLE	576	907,776	0	0		907,776
CRITTENDEN	WEST MEMPHIS	4,159	4,371,109	0	0		4,371,109
CRITTENDEN	MARION	2,683	1,411,258	0	0		1,411,258
CROSS	CROSS COUNTY	460	483,460	0	0		483,460
CROSS	WYNNE	1,597	840,022	0	0		840,022
DALLAS	FORDYCE	568	596,968	0	0	(48,189)	548,779
DESHA	DUMAS	973	1,022,623	0	0		1,022,623
DESHA	MCGEHEE	883	928,033	0	0		928,033
DREW	DREW CENTRAL	697	732,547	0	0		732,547
DREW	MONTICELLO	1,084	570,184	0	0		570,184
FAULKNER	CONWAY	4,822	2,536,372	0	0		2,536,372
FAULKNER	GREENBRIER	1,289	678,014	0	0		678,014
FAULKNER	GUY-PERKINS	267	280,617	(93,450)	0		187,167
FAULKNER	MAYFLOWER	690	362,940	0	0		362,940
FAULKNER	MOUNT VERNON/ENOLA	285	149,910	0	0		149,910
FAULKNER	VILONIA	1,353	711,678	0	0		711,678
FRANKLIN	CHARLESTON	442	232,492	0	0		232,492
FRANKLIN	COUNTY LINE	325	341,575	(113,750)	0		227,825
FRANKLIN	OZARK	1,051	552,826	0	0		552,826
FULTON	MAMMOTH SPRING	301	158,326	0	0		158,326
FULTON	SALEM	523	275,098	0	0		275,098
FULTON	VIOLA	266	139,916	0	0		139,916
GARLAND	CUTTER-MORNING STAR	439	461,389	0	0		461,389
GARLAND	FOUNTAIN LAKE	774	407,124	0	0		407,124
GARLAND	HOT SPRINGS	2,865	3,011,115	0	0		3,011,115
GARLAND	JESSIEVILLE	650	683,150	0	0		683,150
GARLAND	LAKE HAMILTON	2,429	1,277,654	0	0		1,277,654
GARLAND	LAKESIDE	1,345	707,470	0	0		707,470
GARLAND	MOUNTAIN PINE	426	447,726	0	0		447,726
GRANT	POYEN	332	174,632	0	0		174,632
GRANT	SHERIDAN	1,930	1,015,180	0	0		1,015,180
GREENE	MARMADUKE	463	243,538	0	0		243,538
GREENE	GREENE COUNTY TECH	1,817	955,742	0	0		955,742
GREENE	PARAGOULD	1,990	1,046,740	0	0		1,046,740
HEMPSTEAD	BLEVINS	403	423,553	0	0		423,553
HEMPSTEAD	HOPE	2,051	2,155,601	0	0		2,155,601



County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	NSL Growth Funding	Act 1220 of 2011 With-holding	Total NSL Funding
HEMPSTEAD	SPRING HILL	283	148,858	0	0		148,858
HOT SPRING	BISMARCK	654	344,004	0	0		344,004
HOT SPRING	GLEN ROSE	566	297,716	0	0		297,716
HOT SPRING	MAGNET COVE	339	178,314	0	0		178,314
HOT SPRING	MALVERN	1,527	1,604,877	0	0		1,604,877
HOT SPRING	OUACHITA	259	136,234	0	0		136,234
HOWARD	DIERKS	350	184,100	0	0		184,100
HOWARD	MINERAL SPRINGS	368	579,968	0	0		579,968
HOWARD	NASHVILLE	1,379	1,449,329	(241,325)	0		1,208,004
INDEPENDENCE	BATESVILLE	1,644	864,744	0	0		864,744
INDEPENDENCE	SOUTHSIDE	1,096	576,496	0	17,281		593,777
INDEPENDENCE	MIDLAND	346	181,996	121,100	0		303,096
INDEPENDENCE	CEDAR RIDGE	578	304,028	0	0		304,028
IZARD	CALICO ROCK	299	314,249	(104,650)	0		209,599
IZARD	MELBOURNE	512	269,312	0	0		269,312
IZARD	IZARD COUNTY CONSOL	395	415,145	0	0		415,145
JACKSON	NEWPORT	967	1,016,317	0	0		1,016,317
JACKSON	JACKSON COUNTY	573	301,398	0	5,207		306,605
JEFFERSON	DOLLARWAY	1,130	1,780,880	0	0		1,780,880
JEFFERSON	PINE BLUFF	3,422	3,596,522	0	0		3,596,522
JEFFERSON	WATSON CHAPEL	1,954	2,053,654	0	0		2,053,654
JEFFERSON	WHITE HALL	1,340	704,840	0	0		704,840
JOHNSON	CLARKSVILLE	1,953	2,052,603	0	0		2,052,603
JOHNSON	LAMAR	872	916,472	(152,600)	0		763,872
JOHNSON	WESTSIDE	503	528,653	0	0		528,653
LAFAYETTE	LAFAYETTE COUNTY	527	553,877	0	0		553,877
LAWRENCE	HOXIE	618	649,518	0	0		649,518
LAWRENCE	SLOAN-HENDRIX	459	241,434	0	0		241,434
LAWRENCE	HILLCREST	289	303,739	(50,575)	0		253,164
LAWRENCE	LAWRENCE COUNTY	593	311,918	0	0		311,918
LEE	LEE COUNTY	703	1,107,928	0	0		1,107,928
LINCOLN	STAR CITY	1,003	527,578	0	0		527,578
LITTLE RIVER	ASHDOWN	993	1,043,643	(347,550)	0		696,093
LITTLE RIVER	FOREMAN	325	170,950	56,875	0		227,825
LOGAN	BOONEVILLE	878	922,778	0	0		922,778
LOGAN	MAGAZINE	434	456,134	0	0		456,134
LOGAN	PARIS	801	841,851	(280,350)	0		561,501
LOGAN	SCRANTON	215	113,090	0	0		113,090
LONOKE	LONOKE	1,140	599,640	0	0		599,640
LONOKE	ENGLAND	574	603,274	0	0		603,274
LONOKE	CARLISLE	440	231,440	0	0		231,440
LONOKE	CABOT	3,729	1,961,454	0	0		1,961,454
MADISON	HUNTSVILLE	1,528	803,728	0	0		803,728
MARION	FLIPPIN	613	644,263	0	0		644,263
MARION	YELLEVILLE-SUMMIT	520	546,520	(182,000)	0		364,520
MILLER	GENOA CENTRAL	550	289,300	0	0		289,300
MILLER	FOUKE	650	341,900	0	0		341,900
MILLER	TEXARKANA	3,036	3,190,836	(1,062,600)	0		2,128,236
MISSISSIPPI	ARMOREL	186	97,836	0	0		97,836
MISSISSIPPI	BLYTHEVILLE	1,774	1,864,474	0	0		1,864,474

County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	NSL Growth Funding	Act 1220 of 2011 With-holding	Total NSL Funding
MISSISSIPPI	RIVERCREST	988	1,038,388	0	0		1,038,388
MISSISSIPPI	GOSNELL	961	1,010,011	(336,350)	0		673,661
MISSISSIPPI	MANILA	701	368,726	0	0		368,726
MISSISSIPPI	OSCEOLA	1,116	1,758,816	0	0	(72,514)	1,686,302
MONROE	BRINKLEY	420	441,420	0	0		441,420
MONROE	CLARENDON	474	747,024	0	0		747,024
MONTGOMERY	CADDO HILLS	457	480,307	0	0		480,307
MONTGOMERY	MOUNT IDA	332	348,932	(116,200)	0		232,732
NEVADA	PRESCOTT	740	777,740	0	0		777,740
NEVADA	NEVADA	319	335,269	0	0		335,269
NEWTON	JASPER	615	646,365	0	0		646,365
NEWTON	DEER/MT. JUDEA	251	263,801	0	0		263,801
OUACHITA	BEARDEN	363	381,513	0	0	(19,985)	361,528
OUACHITA	CAMDEN-FAIRVIEW	1,964	2,064,164	0	0		2,064,164
OUACHITA	HARMONY GROVE	572	300,872	0	0		300,872
PERRY	EAST END	398	209,348	0	0		209,348
PERRY	PERRYVILLE	549	288,774	0	0		288,774
PHILLIPS	BARTON-LEXA	691	726,241	0	0		726,241
PHILLIPS	HELENA-W HELENA	1,370	2,159,120	0	0		2,159,120
PHILLIPS	MARVELL	352	554,752	0	0	(58,994)	495,758
PIKE	CENTERPOINT	690	725,190	(241,500)	0		483,690
PIKE	KIRBY	235	246,985	(82,250)	0		164,735
PIKE	SOUTH PIKE COUNTY	494	519,194	0	0		519,194
POINSETT	HARRISBURG	910	956,410	0	0		956,410
POINSETT	MARKED TREE	456	479,256	0	0		479,256
POINSETT	TRUMANN	1,196	1,256,996	0	0		1,256,996
POINSETT	EAST POINSETT COUNTY	515	541,265	0	0		541,265
POLK	MENA	1,206	634,356	0	0		634,356
POLK	OUACHITA RIVER	537	564,387	0	0		564,387
POLK	COSSATOT RIVER	813	854,463	0	0		854,463
POPE	ATKINS	678	356,628	0	0		356,628
POPE	DOVER	833	438,158	0	0		438,158
POPE	HECTOR	410	430,910	0	0		430,910
POPE	POTTSVILLE	772	406,072	0	0		406,072
POPE	RUSSELLVILLE	3,017	1,586,942	0	0		1,586,942
PRAIRIE	DES ARC	363	381,513	0	0		381,513
PRAIRIE	HAZEN	468	491,868	(81,900)	0		409,968
PULASKI	LITTLE ROCK	17,039	17,907,989	0	0		17,907,989
PULASKI	NORTH LITTLE ROCK	5,914	6,215,614	0	0		6,215,614
PULASKI	PULASKI COUNTY	6,797	3,575,222	0	0		3,575,222
PULASKI	JACKSONVILLE NO. PUL	2,879	3,025,829	0	0		3,025,829
RANDOLPH	MAYNARD	325	341,575	0	0		341,575
RANDOLPH	POCAHONTAS	1,148	603,848	0	0		603,848
ST FRANCIS	FORREST CITY	2,077	2,182,927	0	0		2,182,927
ST FRANCIS	PALESTINE-WHEATLEY	661	694,711	0	0	(55,755)	638,956
SALINE	BAUXITE	745	391,870	0	0		391,870
SALINE	BENTON	2,100	1,104,600	0	0		1,104,600
SALINE	BRYANT	3,362	1,768,412	0	0		1,768,412
SALINE	HARMONY GROVE	492	258,792	0	7,879		266,671
SCOTT	WALDRON	1,065	1,119,315	0	0		1,119,315

County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	NSL Growth Funding	Act 1220 of 2011 With-holding	Total NSL Funding
SEARCY	SEARCY COUNTY	589	619,039	0	0		619,039
SEARCY	OZARK MOUNTAIN	534	561,234	0	8,408		569,642
SEBASTIAN	FORT SMITH	10,433	10,965,083	0	0		10,965,083
SEBASTIAN	GREENWOOD	1,277	671,702	0	0		671,702
SEBASTIAN	HACKETT	568	298,768	0	0		298,768
SEBASTIAN	LAVACA	450	236,700	0	0		236,700
SEBASTIAN	MANSFIELD	586	615,886	(205,100)	0		410,786
SEVIER	DEQUEEN	1,851	1,945,401	0	0		1,945,401
SEVIER	HORATIO	618	649,518	0	0		649,518
SHARP	CAVE CITY	974	1,023,674	0	0		1,023,674
SHARP	HIGHLAND	1,071	563,346	0	0		563,346
STONE	MOUNTAIN VIEW	1,127	592,802	0	0		592,802
UNION	EL DORADO	2,916	1,533,816	0	0		1,533,816
UNION	JUNCTION CITY	340	178,840	0	0		178,840
UNION	PARKERS CHAPEL	300	157,800	0	0		157,800
UNION	SMACKOVER-NORPHLET	615	323,490	0	0		323,490
UNION	STRONG-HUTTIG	293	461,768	(51,275)	0		410,493
VAN BUREN	CLINTON	912	958,512	0	0		958,512
VAN BUREN	SHIRLEY	318	334,218	0	0		334,218
VAN BUREN	SOUTH SIDE	288	151,488	0	0		151,488
WASHINGTON	ELKINS	538	282,988	0	0		282,988
WASHINGTON	FARMINGTON	911	479,186	0	0		479,186
WASHINGTON	FAYETTEVILLE	3,889	2,045,614	0	0		2,045,614
WASHINGTON	GREENLAND	543	285,618	0	8,192		293,810
WASHINGTON	LINCOLN CONSOLIDATED	859	902,809	0	0		902,809
WASHINGTON	PRAIRIE GROVE	820	431,320	0	0		431,320
WASHINGTON	SPRINGDALE	14,994	15,758,694	(5,247,900)	0		10,510,794
WASHINGTON	WEST FORK	554	291,404	0	0		291,404
WHITE	BALD KNOB	803	422,378	0	0		422,378
WHITE	BEEBE	1,648	866,848	0	0		866,848
WHITE	BRADFORD	337	354,187	0	0		354,187
WHITE	WHITE COUNTY CTL	511	537,061	0	0		537,061
WHITE	RIVERVIEW	1,019	1,070,969	0	0		1,070,969
WHITE	PANGBURN	426	224,076	0	0		224,076
WHITE	ROSE BUD	491	258,266	0	0		258,266
WHITE	SEARCY SPECIAL	2,185	1,149,310	0	0		1,149,310
WOODRUFF	AUGUSTA	326	342,626	0	0		342,626
WOODRUFF	MCCRORY	365	191,990	0	0		191,990
YELL	DANVILLE	657	690,507	0	0		690,507
YELL	DARDANELLE	1,505	1,581,755	0	0		1,581,755
YELL	WESTERN YELL COUNTY	316	332,116	0	0		332,116
YELL	TWO RIVERS	663	696,813	0	0		696,813