



Bureau of Legislative Research
Policy Analysis & Research Section

HANDOUT C3



Enhanced Student Achievement Funding and Expenditures (previously known as National School Lunch State Categorical Funding)

November 5, 2019



Program Name Change

- ▶ Originally called National School Lunch state categorical funding, or **NSL funding**
- ▶ Frequently confused with the federal National School Lunch meal program
- ▶ Act 1083 of 2019 changed the name to Enhanced Student Achievement funding, or **ESA Funding**

ESA Funding Basics

- ▶ One of four types of state **categorical funds**.
- ▶ Provides funding to school districts to help address the **additional educational challenges associated with poverty**
- ▶ Provides about **\$230 million**, about 4% of total education funding
- ▶ **Restricted** funding, meaning districts can spend it only in specified ways

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ESA Funding Distribution

- ▶ Based on district's **number** of free and reduced-price lunch (FRL) students and the **concentration** of FRL students

| FRL % of Enrollment | Funding Rate |
|---------------------|-------------------------|
| 0%-70% FRL | \$526 per FRL student |
| 70%-90% FRL | \$1,051 per FRL Student |
| 90% or more FRL | \$1,576 per FRL Student |

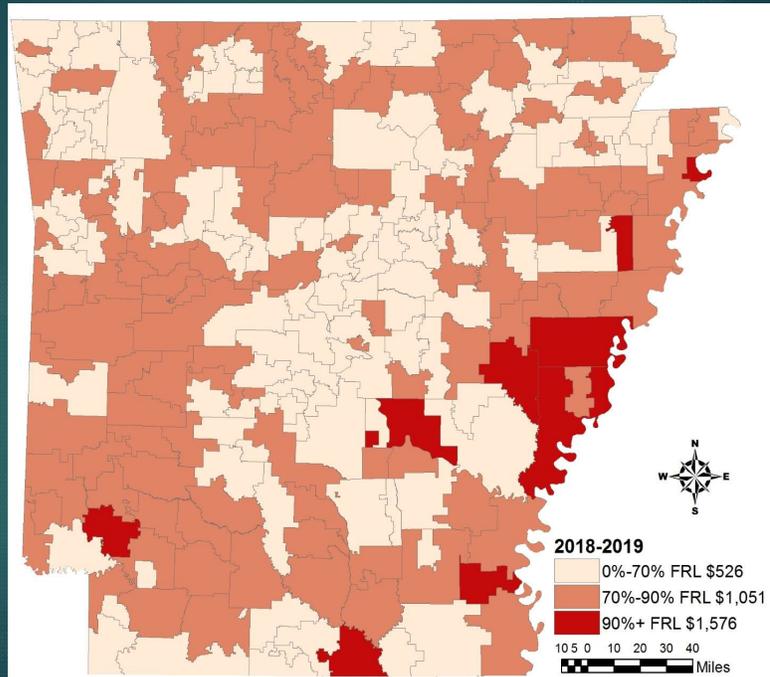
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ESA Funding Rates

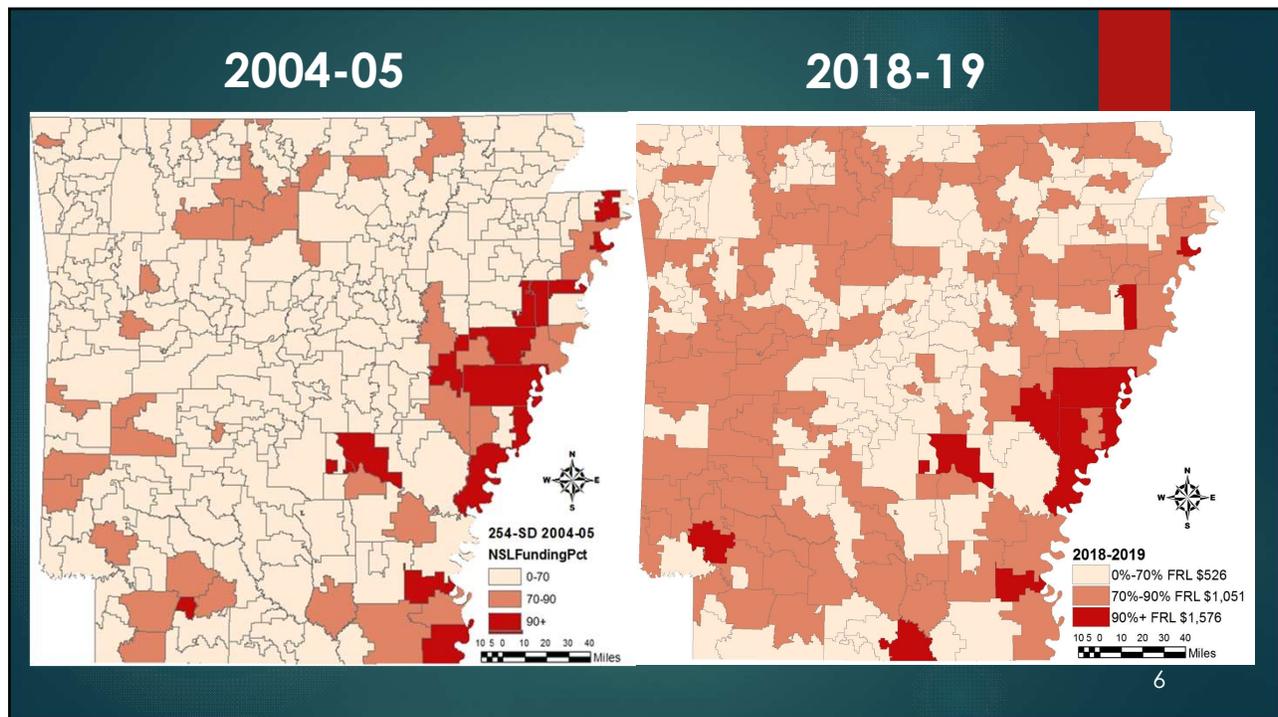
| FRL % of Enrollment | Funding Rate | Districts |
|---------------------|--------------|-----------|
| 0%-70% FRL | \$526 | 113 (48%) |
| 70%-90% FRL | \$1,051 | 112 (48%) |
| 90%+ FRL | \$1,576 | 10 (4%) |

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2018-19 ESA Funding Rates

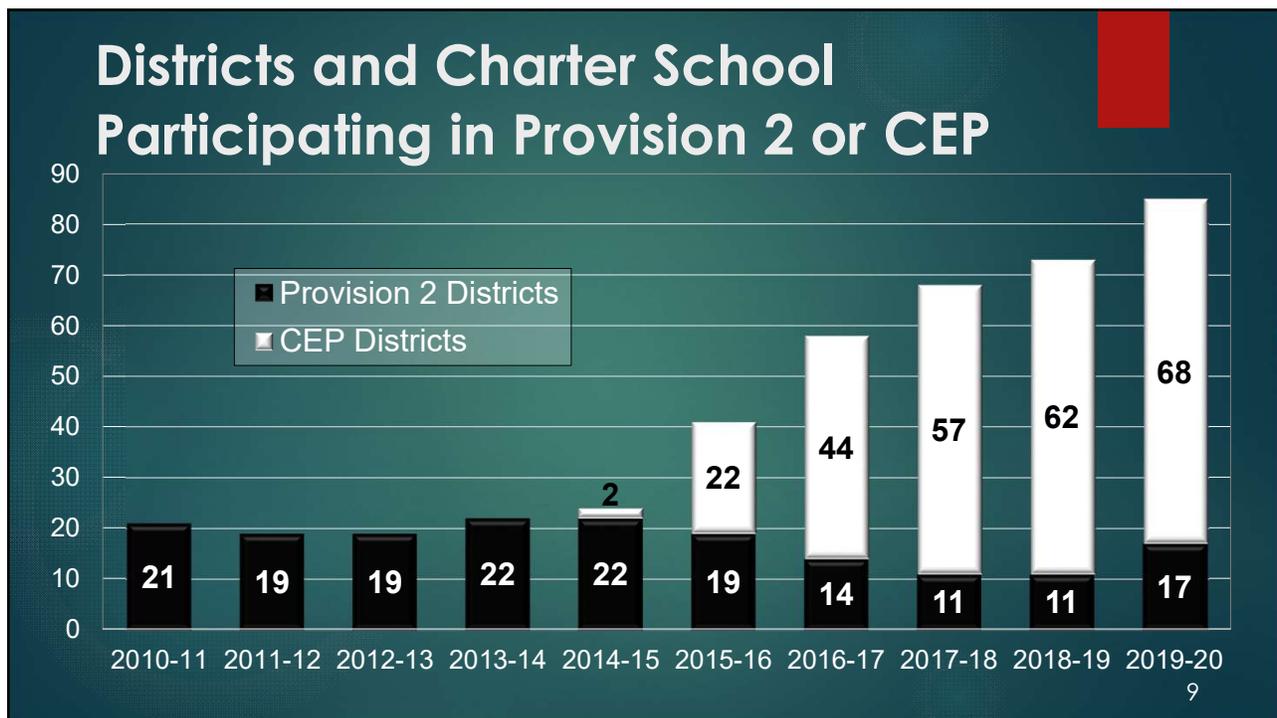
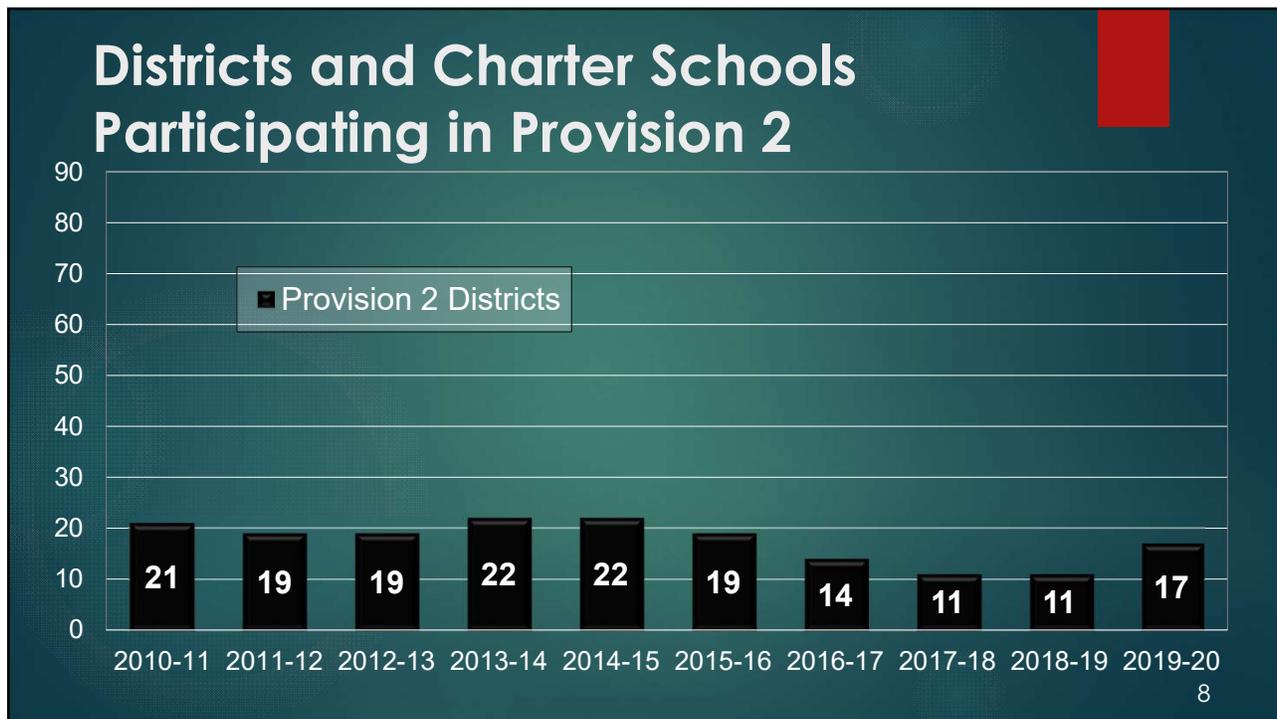


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Complicating Factors

- ▶ Provision 2
- ▶ Community Eligibility Provision (CEP)
- ▶ Qualifying districts or schools are considered 100% free lunch



Impact on Achievement Data

| | Participating Districts | | Non-Participating Districts | |
|--|-----------------------------|--------------------------|-----------------------------|-----------------------------|
| | 2015-16 No Participation | 2017-18 Participation | 2015-16 No Participation | 2017-18 No Participation |
| % FRL Among Test Takers | 75.3% | 94.3% | 58.2% | 56.9% |
| % FRL Scoring Ready or Exceeding | 27.5% | 34.6% | 37.0% | 40.3% |
| Percentage Point Change: FRL | | 7.1 | | 3.3 |
| % All Student Scoring Ready or Exceeding | 33.3% | 35.4% | 46.3% | 50.6% |
| Percentage Point Change: All Students | | 2.1 | | 4.3 |

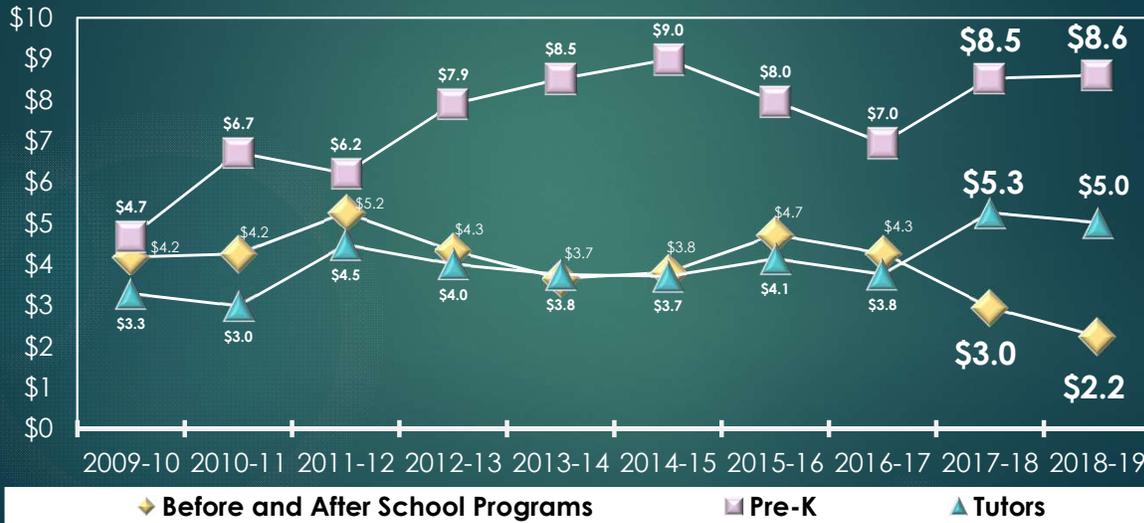
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Other ESA Funding Programs

- ▶ **ESA Transitional Adjustments:** Softens the “cliff” between funding rate changes, as the move to new funding rate happens incrementally over three years
- ▶ **ESA Growth:** Provided to growing districts
- ▶ **ESA Matching Grants:** Provided to districts that spend their ESA dollars on pre-K, before- and after-school programs and tutoring

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Use of ESA Funds for Matching Grant Eligible Uses (Millions)



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Total ESA Funding

| | 2018-19 |
|--|----------------------|
| ESA funding (with ESA Transitional Adjustments) | \$229,115,113 |
| ESA Growth | \$314,835 |
| ESA Matching Grant | \$4,300,000 |
| Total | \$233,729,948 |

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Poverty Funding in Other States

- ▶ **42** states & Washington D.C. provide some kind of poverty funding
- ▶ **22** states & Washington D.C. use a multiplier
- ▶ Example: \$7,000 per student with a 1.1 multiplier provides \$7,000 for non-FRL students and \$7,700 for FRL Students
- ▶ Multiplier ranges from 1.1 to 1.4 in majority of states using it (AR funding rates equivalent to 1.08, 1.15, and 1.23)

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Poverty Funding in Other States

- ▶ Other methods: flat per-student amounts (like AR), resources for certain staffing levels, and competitive grants
- ▶ 23 states' formulas consider concentrations of poverty
- ▶ Most states do not have restrictions on how the funding can be used.

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Poverty Funding in Other States

Type of students on which funding is based:

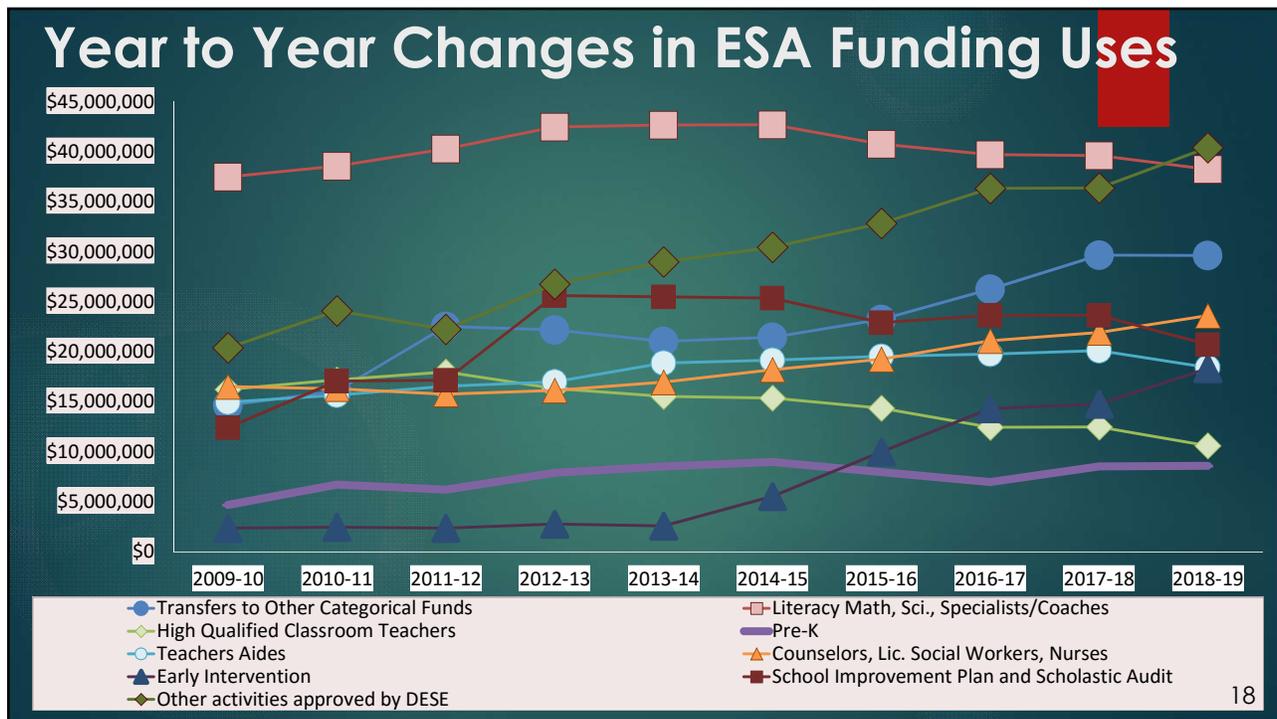
- ▶ 32 states use National School Lunch eligibility
- ▶ **States also use combination of:**
 - ▶ Medicaid eligibility
 - ▶ Homelessness
 - ▶ TANF eligibility
 - ▶ SNAP eligibility
 - ▶ Census estimates
 - ▶ Title I eligibility
 - ▶ English learners (with FRL or other poverty measure)
 - ▶ Student mobility
 - ▶ Students with unsatisfactory academic performance

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ESA Spending by Use

| Top Allowable Uses | % of ESA Exp. in 2018-19 |
|--|---------------------------------|
| Other activities approved by DESE | 17.6% |
| Curriculum specialists | 16.6% |
| Transfers to other categorical funds | 12.9% |
| Counselors, social workers, and nurses | 10.3% |
| School Improvement | 9.0% |
| Teachers' aides | 8.0% |
| Early intervention programs | 8.0% |

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ESA Expenditure Location

| Expenditure Location | Expenditures | % of Total Expenditures |
|--|---------------|-------------------------|
| District-level expenditures | \$28,547,045 | 12.4% |
| School-level expenditures | \$161,955,987 | 70.5% |
| Expenditures coded to another location | \$9,572,662 | 4.2% |
| NSL funding transferred to another categorical program | \$29,628,273 | 12.9% |

School-level ESA Expenditures

| | 2018 Average School-level Expenditures Per FRL Student | | |
|--------------------|--|-------------------|-------------------|
| School-level % FRL | \$526 Districts | \$1,051 Districts | \$1,576 Districts |
| 0%-50% | \$484 | \$1,564 | |
| 50%-60% | \$365 | \$736 | |
| 60%-70% | \$362 | \$752 | |
| 70%-80% | \$315 | \$723 | |
| 80%-90% | \$264 | \$706 | \$1,238 |
| 90%-100% | \$310 | \$673 | \$1,023 |

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Student Achievement

| | 2017-18 % Ready or Exceeding | | Percentage Point Gap |
|----------------|------------------------------|-------------------------|----------------------|
| | FRL (low income) | Non-FRL (more affluent) | |
| ELA | 33.6% | 62.1% | 28.6 |
| Math | 37.5% | 63.6% | 26.1 |
| Science | 30.0% | 57.2% | 27.2 |

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Poverty Concentration and Student Outcomes

| District FRL % | Average % of FRL Students "Ready" or "Exceeding" | |
|-----------------------------------|---|------|
| | ELA | Math |
| 0%-50% (lowest poverty) | 41% | 47% |
| 50%-60% | 38% | 42% |
| 60%-70% | 36% | 40% |
| 70%-80% | 35% | 37% |
| 80%-90% | 32% | 35% |
| 90%-100% (highest poverty) | 16% | 18% |

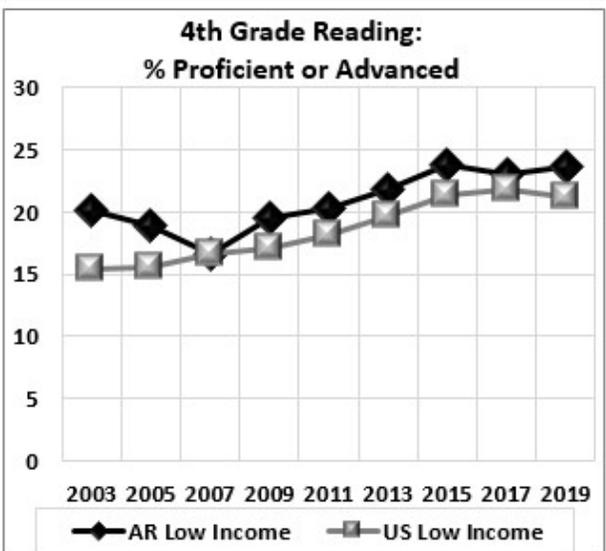
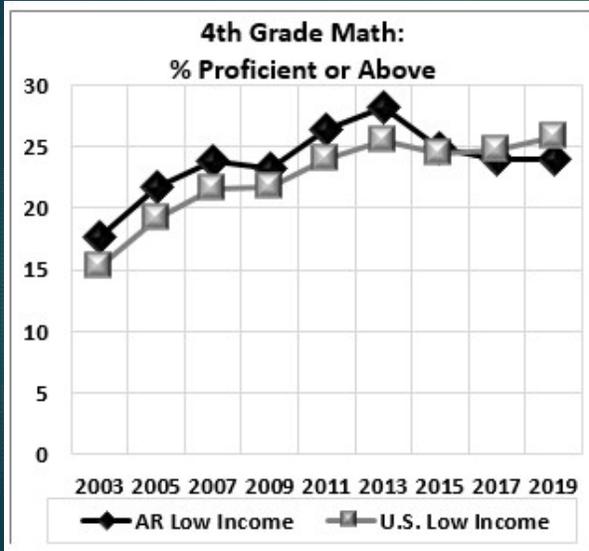
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Poverty Concentration and Student Growth

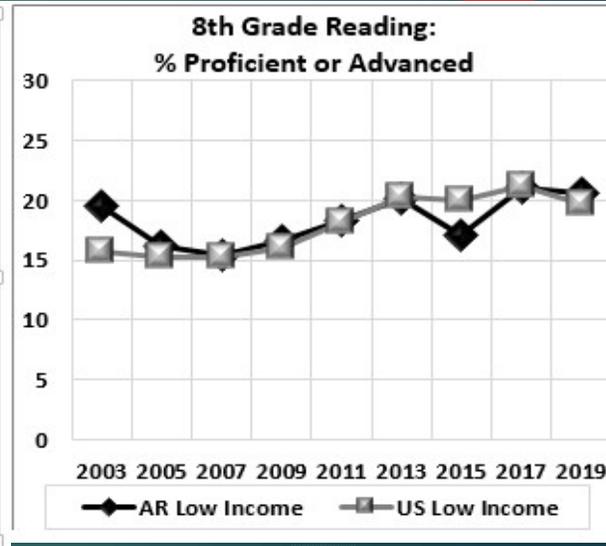
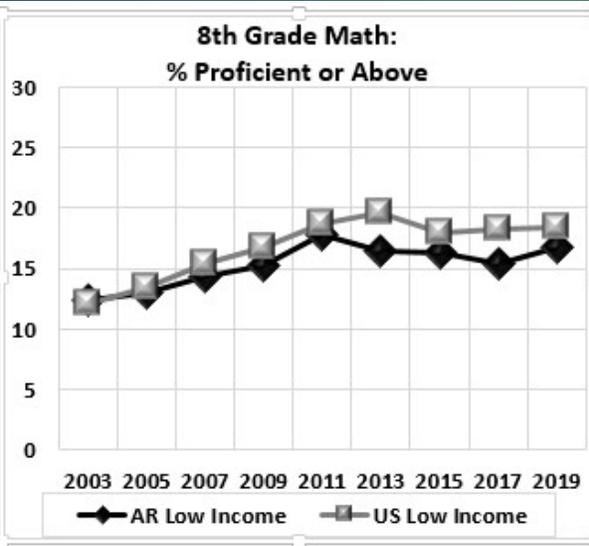
| District FRL % | Average Growth of FRL Students | |
|-----------------------------------|--------------------------------|-------|
| | ELA | Math |
| 0%-50% (lowest poverty) | 80.07 | 79.94 |
| 50%-60% | 79.94 | 79.33 |
| 60%-70% | 79.31 | 79.04 |
| 70%-80% | 79.72 | 78.54 |
| 80%-90% | 78.69 | 77.58 |
| 90%-100% (highest poverty) | 77.76 | 75.76 |

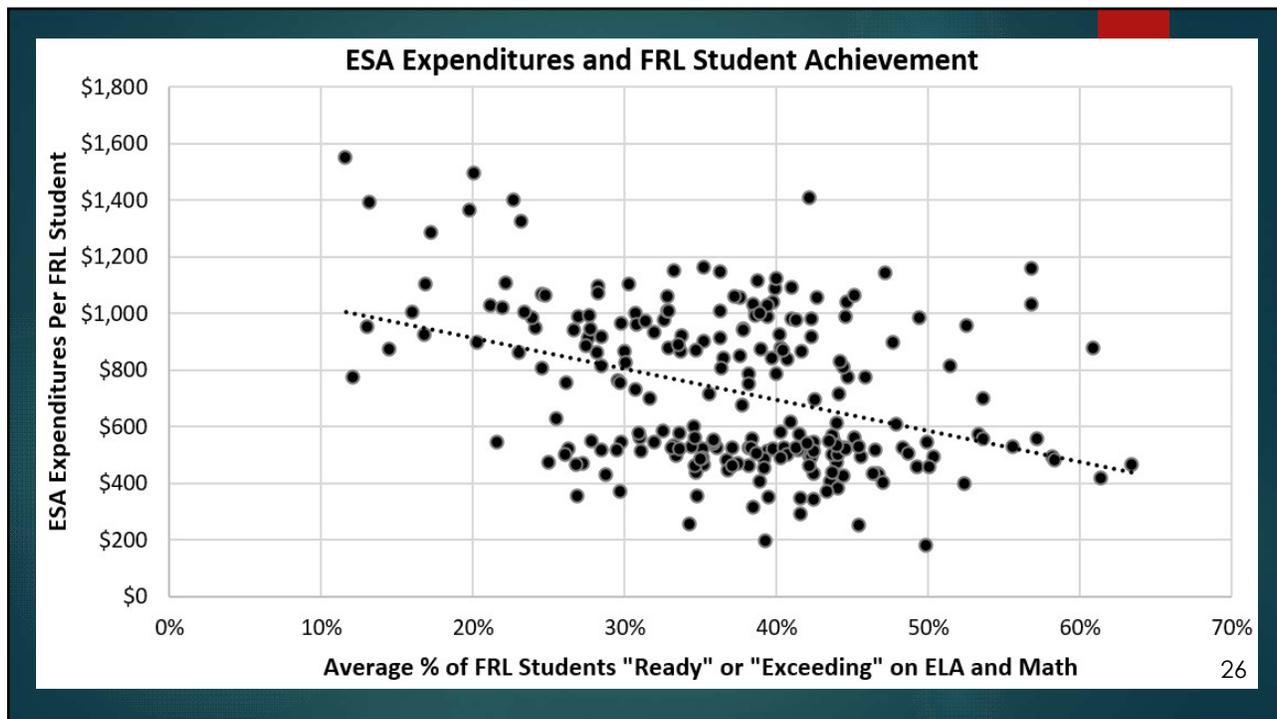
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National Comparison



National Comparison





ESA Expenditures and Student Achievement

| % of FRL Students Scoring "Ready" or Exceeding | All Districts | Districts Receiving \$526 | Districts Receiving \$1,051 | Districts Receiving \$1,576 |
|--|---------------|---------------------------|-----------------------------|-----------------------------|
| 0%-30% low achieving | \$883 | \$482 | \$932 | \$1,255 |
| 30%-40% | \$729 | \$489 | \$938 | |
| 40%-50% | \$634 | \$489 | \$935 | |
| 50%+ high achieving | \$646 | \$494 | \$926 | |

Expenditures for Allowable Uses

- ▶ Virtually no statistically significant correlations between the percent of districts' ESA funding spent on any particular allowable use and their **student achievement** among low income students
- ▶ No statistically significant correlations between the percent of districts' ESA funding spent on any particular allowable use and their **student growth scores** among low income students
- ▶ ESA spending decisions may have more to do with the individual constraints of each district's budget than differing strategies for addressing achievement gaps.

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