

At-Risk Funding

Colorado Legislative Interim Committee on School Finance

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Overview

- How states identify at-risk students
- Why free/reduced price lunch (F/R L) can't be used in state formulas moving forward
- State options for moving forward

Identifying At-Risk Students

- A 2019 study found that **42 states and D.C.** provide their districts with some form of at-risk funding
- The majority of states (31) use free/reduced price lunch eligibility to identify at-risk students

Source: Education Commission of the States

Other Methods to Identify At-Risk Students

- English language learners (6 states)
- Foster Care (6 states)
- SNAP, TANF, or state level assistance programs (6 states)
- Census data/federal poverty rate (3 states)
- Students experiencing homelessness (3 states)
- Student performance (2 states)

Source: Education Commission of the States

Why Do So Many States Use F/R Lunch?

- Districts are limited in what kind of information they can ask students and their families
- Students are not required to apply for F/R L – however – they can not qualify for the program without applying
- The F/R L numbers capture low-income families as well as students from working poor families.
 - Free – 130% of poverty
 - Reduced – 185% of poverty

Community Eligibility and the Need for a New Set of Measures

- **Community Eligibility:**
 - Began in 2010
 - All students in a school are eligible for free lunch
 - Families no longer need to apply for the F/R Lunch program
- **Eligibility Criteria:**
 - At least 40% of the students' families are identified as low-income
 - Based on their enrollment in other public service programs

Possible Issues With Other Measures

- Federal poverty rate
 - Income level is lower than F/R Lunch number
 - Census numbers may not perfectly reflect actual enrollment
- Federal/state aid programs
 - Some programs have lower income qualifications than F/R Lunch (TANF)
 - Families must apply for these programs
- Student performance
 - Some policymakers believe that student performance could be manipulated to increase funding

Measures of Poverty

Annual Household Income

2021-22

| Family Size | Colorado TANF | Federal Poverty Measure | Free Lunch (130%) | Colorado SNAP |
|-------------|---------------|-------------------------|-------------------|---------------|
| 2 | \$3,972 | \$17,420 | \$22,646 | \$34,488 |
| 3 | \$5,052 | \$21,960 | \$28,548 | \$43,440 |
| 4 | \$6,120 | \$26,500 | \$34,450 | \$52,416 |

Sources: US Department of Agriculture & CO Dept. of Human Services

State Example Massachusetts

In 2014-15, the state started to move from using F/R L to other measures that included:

- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Foster care
- Living in a facility run by the Dept. of Youth Services
- Receiving Supplemental Security Income

State Example Massachusetts

- In the first year of the new program:
 - MA identified **251,026 students**
 - F/R L would have identified 366,000 students
- After working on identification methods:
 - MA identified **314,776 students** by FY 2018.
- To make up for the difference in identified students:
 - Beginning in FY 2016, MA increased the per pupil funding amount

State Examples Texas

To qualify as at-risk, a student must meet one of the following criteria:

- Did not advance from one grade to the next
- Received a score of less than 70 in two or more foundation curriculum classes (Grades 7-12)
- Did not perform satisfactorily on a state assessment
- Did not perform satisfactorily on a readiness test (Grades K-3)
- Dropped out of school
- Expelled

State Example Texas

Other at-risk identifiers:

- English language learner
- Student experiencing homelessness
- Pregnant or is a parent
- Placed in an alternative school program
- Currently on parole, probation, deferred prosecution, or other conditional release
- Resides in a residential placement facility
- Has been incarcerated or has a parent/guardian who has

Issues to Think About

- States need to move away from the use of F/R Lunch as a measure of at-risk
 - No longer accurate
 - May not cast a wide net
- If the set of programs used for eligibility is too **narrow**, students in poverty may be undercounted
- State and district staff must have appropriate **capacity** to collect data

Issues to Think About

A New Generation of At-Risk Funding

- Not all at-risk students are the same
- Different student groups may need different levels of funding
- Students experiencing homelessness or foster youth generally require a higher level of resources
- States need to start thinking of at-risk funding like they think of special education funding with different levels based on student needs

Q & A

If you have any questions, please feel free to contact:

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