



AT-RISK FUNDING

Increased Money Fails to Increase Achievement

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Acknowledgements

A big thank you goes to KPI's Beth Wasco for proofreading (and correcting) the tables and figures herein. Eric Hanushek, a Senior Fellow at the Hoover Institution of Stanford University, provided a peer review. Among his comments addressed in the body of this text are:

- No research has ever shown the amount needed to close achievement gaps, largely because extra funding has never closed the gap.
- The federal government, through Title I, has been providing significant additional funding to school districts to support low-income students since 1965.
- Incentives should be given to districts that demonstrate improved achievement of at-risk students.
- Districts should have to show that students getting extra aid through at-risk dollars do, in fact, learn at a faster rate.

Eric Hanushek also offered this final thought on this paper:

"This report on at-risk funding in Kansas accurately identifies what is a national problem. While we directly fund a number of programs to improve the education of at-risk students, we never follow-up to see that the money is used effectively. If we are going to solve this problem of achievement gaps, we need to fund programs to support at-risk students but to hold schools accountable for results."

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Executive Summary

This report is a comprehensive review of what is commonly referred to as the Kansas at-risk program. The program, which started in the 1992-93 school year, was borne from a court opinion that directed the legislature to appropriate additional money to school districts based on the belief that students of low socioeconomic status cost more to adequately educate.

Conclusion

The Kansas at-risk program failed in its directive to close the achievement gap between low-income and not-low-income students.

Despite the fact that over \$3.6 billion was spent on the at-risk program over the past 23 years, the achievement gap between low-income and not-low-income students is:

- *Universal* – the gaps appear in all available measures that control for income level, including state assessment scores and the National Assessment of Educational Progress (NAEP)
- *Significant* – the achievement differences are consistently in the 30 percentage point range, and
- *Persistent* – the gaps have remained approximately the same since 2006, despite a more than 7-fold increase in annual state at-risk funding.

Support

There are four fundamental reasons the program failed to close the achievement gap.

- Dollars were not targeted and spent exclusively on at-risk students by many school districts. Many districts commingled the at-risk dollars with other state aid (e.g. using at-risk dollars to reduce class-size)

- A large share of at-risk dollars were targeted **directly** to non-at-risk students (e.g. additional half-day kindergarten).
- Districts were not held accountable for reducing the achievement gap – districts received a formulaic at-risk allocation without regard for results.
- The program operated mostly in the shadows with little information available to lawmakers and the public – no thorough reporting was made available. Basic programmatic information had to be obtained through a Kansas Open Records Act (KORA) request.

Recommendations

The failure of the at-risk program to close the achievement gap notwithstanding, an at-risk program should be included in the new public finance law with these fundamental changes:

- Students who are deemed academically at-risk must be clearly identified and at-risk dollars must be targeted **directly** and **exclusively** to those students.
- The system of using the National School Lunch Program (NSLP) as the basis for funding the at-risk program should be replaced, using poverty rate estimates established by the U.S. Census Bureau as the funding determinant. As the NSLP expands to provide free lunches to increasing numbers of non-means-tested students, Census Bureau figures are a better identifier of the number of students in poverty.
- School districts must be held accountable for informing the public regarding the use of at-risk dollars and reporting how the program is closing the achievement gap. Districts must demonstrate that receiving additional dollars does, in fact, help those students learn at a faster rate.

At-risk funding: Increased funding failed to increase achievement

In 1992, the School District Finance and Quality Performance Act (SDFQPA) was signed into law. It replaced the 1973 Kansas finance law, the School District Equalization Act, which was struck down in *Mock v. State of Kansas*.¹ In district court Judge Terry Bullock's 1991 ruling,² he cited a New Jersey Supreme Court decision in *Robinson v. Cahill*³ in which that court identified the differing needs of students be translated into different amounts of public financial support. Bullock's opinion quoted the New Jersey court's ruling that "the evidence indicates that pupils of low socio-economic status need compensatory education to offset the natural disadvantages of their environment."

Thus was born the Kansas at-risk program.

At-risk funding became an integral part of the school finance formula for 23 years. In 2015, the finance formula was changed with the passage of SB 7, to what is commonly referred to as "block grant funding"⁴ and at-risk funds were rolled into the block grants to school districts. The block grant funding law provides districts a pre-determined amount of state aid for the three school years 2014-15, 2015-16 and 2016-17. (The law is scheduled to sunset after the 2016-17 school year and be replaced with a new finance law yet to be written.) Among other things, block grant funding incorporates without delineating the 14 categories of student weighting, two of which were at-risk⁵ and effectively freezing, at least temporarily, the at-risk program.

Origins and basis of the at-risk funding concept

The idea that economically disadvantaged students⁶ require more money to adequately educate them has become an accepted part of the school finance landscape. The idea's roots can be traced back to an article that appeared in *National Tax Journal*⁷ in 1969. Although the article is about the rising cost of all local government in post-World War II America, the springboard for what has become at-risk funding is the statement that regarding education, "the quantities of skills"⁸ gained by students is dependent on the environment which "might describe the 'basic intelligence' of pupils, home backgrounds, and neighborhood conditions."⁹ Numerous research efforts testing that notion have followed, unanimous in supporting the idea that, as described in one scholarly paper, "equality of education, however defined, cannot be achieved unless explicit account is taken of the higher costs that are generally associated with educating children who come from poor or otherwise disadvantaged backgrounds."¹⁰ The federal government had begun to provide money to schools that met low-income thresholds through Title I

of the Elementary and Secondary Education Act in 1965. The purpose of Title I, which continues to provide federal money to school districts, is to afford "financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards."¹¹ In fiscal year 2015, the Kansas Title I allocation was just over \$104 million from the federal government.

Description and chronology of Kansas at-risk funding

Following the opinion of Judge Bullock in *Mock*, the SDFQPA initially included a 5 percent weighting over and above base state aid per pupil (BSAPP) for each student who qualified for a free lunch under the Department of Agriculture's National School Lunch Program (NSLP). With a BSAPP of \$3,600, each at-risk student generated an additional \$180 for the school district. The weighting remained at that level until the 1997-98 school year when it was increased to 6.5 percent. By 2001-02 the weighting had increased to 10 percent¹² where it remained until the SDFQPA was challenged in court.

Beginning in 1999, the SDFQPA faced a legal challenge in *Montoy v. State of Kansas*, a case that worked its way through the court system until fully resolved by the Kansas Supreme Court in 2006. The decisions pursuant to *Montoy* ultimately had the most profound impact on the level of education funding in Kansas history.

In 2001, the legislature commissioned the firm of Augenblick & Myers (A&M) to do a cost study analysis of providing an adequate education to the students of Kansas. After deliberately deviating from their own methodology¹³ to produce inflated numbers, A&M recommended an increase of a minimum of \$773 million to suitably fund public K-12 education.¹⁴

The legislature attempted to preempt Supreme Court intrusion by expanding education funding by \$141.1 million in 2005. The allocation included an increase in the at-risk weighting from 10 percent to 19.3 percent. Additionally, the legislature directed Legislative Post Audit (LPA) to "conduct a professional cost study analysis to determine the costs of delivering the kindergarten and grades one through 12 curriculum, related services, and other programs mandated by State statute in accredited schools."¹⁵ The LPA study, presented in January 2006, identified an additional \$316 million using an input-based approach or an increase of \$399 million using an output-based approach.¹⁶ These recommendations notwithstanding, LPA specified the findings were made to help the legislature decide "appropriate fund-

ing levels”¹⁷ and that the recommendations were not “intended to dictate any specific funding level, and shouldn’t be viewed that way.”¹⁸

Ultimately, the Court applied the A&M study and made the unprecedented decision of ordering the legislature to increase school funding by \$853 million (adjusting the A&M findings for inflation). The legislature responded by increasing funding by \$775 million, which, in the end, satisfied the Court’s order.

Although the Court did not specifically address particular funding categories, such as at-risk, much of its opinion addressed their concerns with the various student weightings, including at-risk. The Court concluded that the current weightings (19.3 percent for at-risk) did not reflect an actual cost basis, but were rather increased merely as a “good faith effort toward compliance.”¹⁹

The legislature responded to the court order by radically increasing the at-risk weighting, but there is no evidence it was done on an actual cost basis or any methodology to identify and address need, as referenced in the Court’s opinion. This conclusion is based upon a review of the two cost studies. The A&M method for funding at-risk considered the size of school a function of the cost. It proposed a sliding formula, giving the students attending the state’s smallest schools an additional weighting of 20 percent, while students at the largest schools were weighted at 60 percent more, employing an assumption that it is more expensive to educate at-risk students in the larger schools.

LPA’s at-risk cost model increased the existing weighting from 19.3 percent to 48.4 percent. It also suggested a new at-risk category called “Urban Poverty” with an additional weighting of 72.6 percent be given only to the four districts of Kansas City (USD 500), Kansas City-Turner (USD 202), Topeka (USD 501), and Wichita (USD 259) citing “significantly higher costs incurred in high-poverty, inner-city school districts [that experience] a variety of more serious social problems including drugs and violent crime.”²⁰

The legislature complied with the Court, phasing in the directive over a three-year period. Although it satisfied the \$853 million order the Court based on the A&M report, the legislature did not utilize the A&M at-risk *method*. A review of committee meeting minutes and various documents/plans that were proposed to increase at-risk dollars during the 2006 legislative session did not reveal any discussion of using an “A&M-style” sliding scale or any cost-based funding scheme. The legislative compromise that was ultimately adopted forged a new funding formula that included elevating the at-risk weighting to 27.8 percent in 2006-07, 37.8 percent in 2007-08 and 45.6 percent beginning in 2008-09. The legislature also created a compound category called “high-density at-risk” that gave additional weighting to students in some districts based in factoring a high rate of at-risk students and the per-square mile density of the

student population. The new law also established a small at-risk category for those who were not eligible for free lunch but were not proficient on state assessments. This category was eliminated in 2014.

Table 1 summarizes the at-risk weighting percentages by year from its inception in 1992.

In the 23 years of the program, total at-risk funding exceeded \$3.6 billion.

What began as a modest 5 percent weighting that generated just over \$13 million in 1992,

ballooned to a 45.6 percent weighting that generated nearly \$400 million annually in 2013 and 2014. Table 2 is a summary of enrollment and at-risk funding for the life of the program.

Table 2 tells some remarkable tales regarding the relationships among enrollment, at-risk students and funding.

- At-risk funding increased every year, except for the 2014-15 estimate.
- While the total student population rose only 6.9 percent from 1992 to 2015, the at-risk population grew 169 percent. Even presuming the numbers in the first year are low because of the newness of the program and not using that year in the analysis, the numbers for student population growth and at-risk growth are 5.2 percent and 93.7 percent, respectively.
- Total statewide enrollment declined each year from 2000-01 to 2004-05 (a total of 1.6 percent), but in the same period at-risk funding increased by more than \$15 million (42.8 percent).
- At-risk funding grew during the recession years when BSAPP was reduced. During the three year period of 2009-10 to 2011-12 BSAPP was reduced 14 percent from \$4,400 to \$3,780, and at-risk funding increased 6.3 percent from \$349 million to nearly \$371 million.

Table 3 compares the at-risk population to the annual poverty estimates produced by the U.S. Census Bureau through the Small Area Income and Poverty Estimates (SAIPE) program.²¹ It shows how the gap between the number of at-risk students and the estimated number of children aged 5 to 17 has grown since 1995. In 1995, the first year the census estimated poverty each year, there were 107,434 at-risk (free lunch) students but only an estimated 65,999 school-aged children in poverty. That is a difference of 41,435 (62.8 percent). By 2013 (the most recent census estimates available), there were 196,050 at-risk students compared to 84,325 estimated to be in poverty, a difference of 111,725 (132.5 percent).

Table 1. At-risk pupil weighting 1992-2015

School Year(s)	Weighting percent
1992-1996	5.0
1997	6.5
1998	8.0
1999-2000	9.0
2001*-2004	10.0
2005	19.3
2006**	27.8
2007**	37.8
2008-2015**	45.6

* Beginning in 2001, a weighting of 1.0 was dedicated to mastery of 3rd grade reading skills.

** The weightings do not include the high-density categories that began in 2006.

Table 2. At-risk enrollment and funding summary – 1992 to 2015

Year	Statewide Enrollment*	Total At-Risk	% At-Risk	Weighting %	Total Weighted Students	Base State Aid Per Pupil (BSAPP)	At-risk Money Generated
1992-93	431,321	72,564	16.8%	5.0	3,628.2	\$3,600	\$13,061,520
1993-94	437,210	100,750	23.0%	5.0	5,037.5	\$3,600	\$18,135,000
1994-95	440,684	105,344	23.9%	5.0	5,267.2	\$3,600	\$18,961,920
1995-96	442,466	107,281	24.2%	5.0	5,364.1	\$3,626	\$19,450,045
1996-97	447,312	108,009	24.1%	5.0	5,400.5	\$3,648	\$19,700,842
1997-98	451,644	111,414	24.7%	6.5	7,241.9	\$3,670	\$26,577,810
1998-99	454,262	108,732	23.9%	8.0	8,698.6	\$3,720	\$32,358,643
1999-00	454,322	107,248	23.6%	9.0	9,652.3	\$3,770	\$36,389,246
2000-01	453,178	109,650	24.2%	9.0	9,868.5	\$3,820	\$37,697,670
2001-02	452,255	113,881	25.2%	10.0	11,388.1	\$3,870	\$44,071,947
2002-03	450,769	129,928	28.8%	10.0	12,992.8	\$3,863	\$50,191,186
2003-04	449,507	129,885	28.9%	10.0	12,988.5	\$3,863	\$50,174,576
2004-05	447,999	134,811	30.1%	10.0	13,481.1	\$3,863	\$52,077,489
2005-06	448,386	134,557	30.0%	19.3	25,969.5	\$4,257	\$110,552,166
2006-07	449,581	137,163	30.5%	27.8	45,967.0	\$4,316	\$198,393,572
2007-08	451,605	139,665	30.9%	37.8	61,269.4	\$4,374	\$267,992,356
2008-09	450,015	152,117	33.8%	45.6	79,283.3	\$4,400	\$348,846,520
2009-10	453,135	171,076	37.8%	45.6	89,741.1	\$4,012	\$360,041,293
2010-11	454,644	179,254	39.4%	45.6	94,117.2	\$3,937	\$370,539,416
2011-12	455,296	186,705	41.0%	45.6	98,080.7	\$3,780	\$370,745,046
2012-13	456,738	190,954	41.8%	45.6	100,999.5	\$3,838	\$387,636,081
2013-14	458,324	196,050	42.8%	45.6	104,168.2	\$3,838	\$399,797,552
2014-15	460,082	193,253	42.0%	45.6	101,467.7	\$3,852	\$390,853,580

Source: Kansas State Department of Education

*Enrollment figures from KSDE Legal Max for funding purposes. Numbers may not equal enrollment numbers in other KSDE publications.

Figure 1 (on page 6) is a graphic representation of not only how the disparity between at-risk and children in poverty grew, but how that disparity coincided with the sharp rise in the at-risk weightings. The length of the black bars represents the width of that difference.

The definition of at-risk students for funding purposes and students eligible for receiving at-risk services was not the same.

As defined under K.S.A. 72-6407,²² any student who qualified for a free lunch pursuant to the provisions of the United States Department of Agriculture’s National School Lunch Program (NSLP) generated at-risk dollars for a school district. The Kansas method was similar to that employed by many other states that use the NSLP as a funding proxy. According to the Education Commission of the States (ECS), in their review of at-risk funding of 41 states,²³ 35 provide some form of at-risk funding. Of those 35, 23 use some variation of free or free/reduced lunch to identify at-risk students for funding.

However, the definition of being an at-risk student for the purpose of receiving additional academic services differed. According to the Kansas Department of Education an at-risk student for receiving services is one who

Table 3. Enrollment, At-risk and Estimated Poverty Populations – 1995 to 2013

Year	Statewide Enrollment	Total At-Risk	% At-Risk	Estimated in Poverty Ages 5-17	% Ages 5-17 in poverty
1995-96	442,466	107,281	24.2%	65,999	14.9%
1996-97	447,312	108,009	24.1%	62,458	14.0%
1997-98	451,644	111,414	24.7%	71,575	15.8%
1998-99	454,262	108,732	23.9%	68,613	15.1%
1999-00	454,322	107,248	23.6%	64,738	14.2%
2000-01	453,178	109,650	24.2%	50,388	11.1%
2001-02	452,255	113,881	25.2%	53,755	11.9%
2002-03	450,769	129,928	28.8%	52,453	11.6%
2003-04	449,507	129,885	28.9%	55,419	12.4%
2004-05	447,999	134,811	30.1%	59,392	13.3%
2005-06	448,386	134,557	30.0%	60,203	13.5%
2006-07	449,581	137,163	30.5%	64,427	14.3%
2007-08	451,605	139,665	30.9%	61,149	13.5%
2008-09	450,015	152,117	33.8%	59,842	13.3%
2009-10	453,135	171,076	37.8%	71,850	15.9%
2010-11	454,644	179,254	39.4%	81,077	17.8%
2011-12	455,296	186,705	41.0%	82,311	18.1%
2012-13	456,738	190,954	41.8%	87,594	19.2%
2013-14	458,324	196,050	42.8%	84,325	18.4%

Source: Kansas State Department of Education

meets one or more of these nine criteria:²⁴

- Not working on grade level (i.e. reading and/or mathematics)
- Not meeting the requirements necessary for promotion to the next grade; is failing subjects or courses of study
- Not meeting the requirements necessary for graduation from high school (e.g., potential dropout)
- Has insufficient mastery of skills or is not meeting state standards (e.g., is below “meeting standards” on state assessments)
- Has been retained
- Has a high rate of absenteeism
- Has repeated suspensions or expulsions from school
- Is homeless and/or migrant
- Is identified as an English Language Learner

KSDE guidelines specifically address the funding vs. academic needs in a Q & A format:²⁵

Does an at-risk student have to be a free-lunch student?

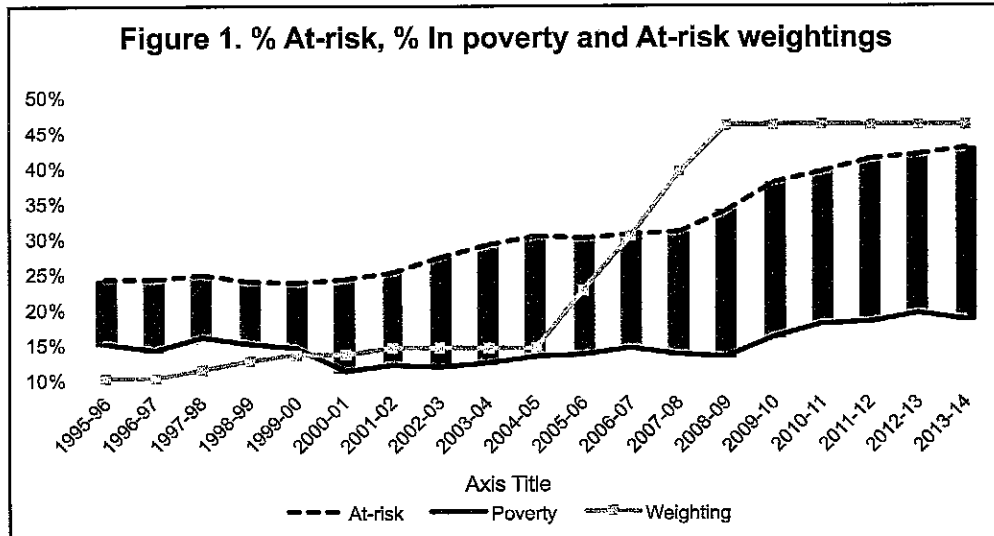
No, free lunch applications determine the funding while academic needs determine who is identified and served.

How the districts utilized at-risk dollars

Each year, as part of what is called the Local Consolidated Plan, all districts submitted an at-risk application and an at-risk annual report to KSDE.²⁶ In simple terms, the application told KSDE how a district was going to spend their money and the annual report described how and what they did to provide at-risk services.

The Application. Each district was provided an estimated amount of at-risk funds they were to receive and they were required to provide a budget that included the following:

- Costs by major reporting category (e.g., salaries, benefits, materials and supplies)
- How they would spend the dollars reserved specifically for K-3 mastery reading
- The number and category of FTE employees funded with at-risk dollars
- Content area of services provided
- When the services would be provided (e.g., additional half-day kindergarten, summer school, during school day)



- The amount of at-risk funding for additional half-day kindergarten, if applicable

The Annual Report. The districts self-reported basic programmatic information including the following:

- number of students eligible for at-risk services and the number who received at-risk services (not those who qualified for free-lunch)
- the number of kindergarten students who received additional half-day services with at-risk money (if applicable)
- a narrative of how the district determined what types of at-risk services would be provided (including any data)
- a checklist to mark all appropriate of the eight service categories provided by KSDE
- a narrative of services provided
- a narrative of the impact of the at-risk services

Highlights from the Application (2014-15)

- A total of 7,053 FTEs were funded: 5,704 teachers; 1,017 paraprofessionals; 171 guidance counselors; 125 math/literature coaches; 24 administrators; 6 translators and 6 transportation employees. Six districts funded over 100 teachers: Wichita – 848, Topeka Public Schools – 321, Shawnee Mission – 253, Dodge City – 132, Garden City – 129, Salina – 105.
- 213 of the state’s 286 school districts used at-risk money to budget for an additional half-day kindergarten (Note: According to KSDE data, 272 districts offer all-day kindergarten. Districts that chose not to budget at-risk money for additional half-day kindergarten either used another funding source or charged for the additional half-day.) A total of \$27,654,908 was budgeted to serve an estimated 33,280 kindergarteners.

**Table 4. At-risk services by category
2013-14**

Category	# of districts	% of districts
Additional In Class Assistance	271	94.8%
After School Programs	147	51.4%
Alt High School Programs	82	28.7%
HS Credit Recovery Courses	166	58.0%
English Language Learners (ELL)	85	29.7%
Summer School	135	47.2%
Tutoring	145	50.7%
Other	72	25.2%

Highlights from 2013-14 Annual Report

- **Number of students identified and served.** 218,129 students were identified as being programmatically at-risk – of those, 202,417 received services.
- **Additional half-day kindergarten.** 231 of the 286 districts reported using at-risk funds for additional half-day kindergarten, serving 25,048 students.
- **Checklist of services provided.** Table 4 is a summary of the services checked by the districts from the KSDE provided checklist.
- **Explanation of how the districts determined what type of services/assistance to provide including the data considered in making the decision.** Since this portion of the report was strictly a narrative submission there was no uniformity among the districts the way it was determined what services would be provided. The descriptions varied from as vague as that submitted by Ashland (USD 220):

USD 220 wanted to make sure the money was used to impact classroom instruction.

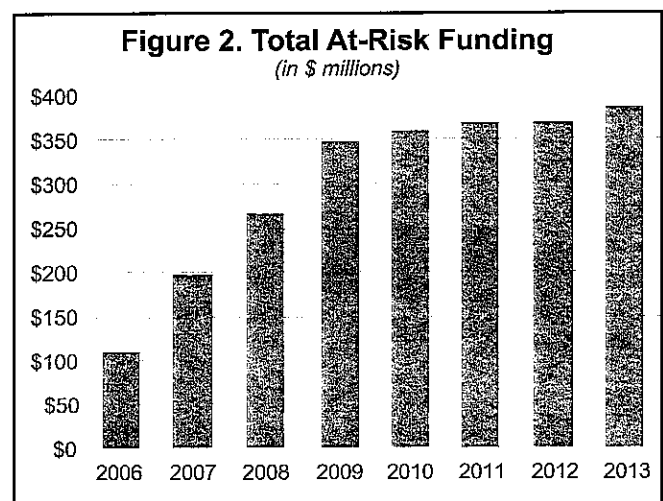
To as detailed and descriptive as Oskaloosa (USD 341):

Students receive State At-Risk funded services in our elementary school. The students are identified by using data from multiple assessments including AIMS Web, Kansas State Reading and Math Assessments, Reading Recovery Screening and the MTSS Academic and Behavior Team Screening. The data is studied many times during the school year and MTSS Tier groups are determined based on the information. Students that receive At-Risk funded services in our JR/SR High School are also identified by using data from multiple assessments including Kansas State Reading and Math Assessments, MAP Assessments and the MTSS Academic and Behavior Team Screenings. Data from the assessments is studied prior to scheduling for the new school year, primarily in Math. Then students are placed in the At-Risk Math Program if they qualify.

Most districts identified one or more methods to determine what services were to be provided. The most common were Kansas state assessments, MAP (Mea-

sures of Academic Progress – an individualized reading, math and language assessment program), MTSS (multi-tiered system of support – an approach that differentiates students into three tiers based on ability/performance) and DIBELS (an early-grade literacy screening and testing tool).

- **Description of services.** Each district provided a narrative description of the services provided with at-risk funds. Those accounts revealed that at-risk dollars in many districts were used to help educate non-at-risk students. For the purposes of this study, those descriptions were condensed into four distinct categories based on whether or not at-risk dollars were targeted only to at-risk students. A brief summary of each of the four categories follows.
 - **At-risk dollars used to serve non-at-risk students (*Reduction of class size/ percentage of teacher salaries*).** 120 districts described the use of at-risk funds – either directly or inferentially – that included reduction of class size and/or use a percentage of at-risk for teacher salaries. What Newton (USD 373) submitted is an example:
We provide bilingual/ESOL push-in/pull-out support; vocational career & technical education courses; Preschool At-Risk; full day kindergarten for all students and reduced class sizes in grades K-4.
 - **Description not discernible/cannot classify.** The descriptions of 109 districts made it impossible to determine whether or not they were spending at-risk money to serve at-risk students. Here is the description provided by Central Heights (USD 288):
One to one support/assistance from teachers in all classes, after school tutoring, MTSS, STEM program, reading assistance program, Reading recovery, summer school, classes added to the normal class schedule to provide academic support in reading and math.
 - **Specifically indicates funds to at-risk students only.** Only 34 districts described their services so it was



clear that the at-risk funds were targeted only to those who were identified as being at-risk. DeSoto (USD 232) reported:

Our State At-Risk Funds are utilized to pay the salaries of teachers who serve at-risk students and provide at-risk (Tier 2 & Tier 3) interventions. These teachers would include reading specialists, ELL teachers and one At-Risk Math Teacher.

- **Description did not match the 2014-15 budget.**

The remaining 23 districts provided program descriptions for 2013-14 that were sufficiently different from their 2014-15 budget to warrant leaving them out of one of the other categories. For example, LeRoy-Gridley (USD 245) reported this as their description of services provided:

Para educators in classrooms to assist students as needed.

However, their 2014-15 budget included funding the salaries of 2.5 FTE teachers along with 5 para-professional FTEs with no mention of what the teachers' roles were regarding the at-risk program.

Each district provided a narrative to describe the impact of at-risk funds in their schools. Upon reading the descriptive impacts provided by the districts, it would be reasonable to conclude that the at-risk program was a rousing success. However, as will be discussed in greater detail in the next section, the positive impact was greatly exaggerated.

The at-risk program failed in its purpose in closing the achievement gap.

The Kansas State Department of Education defined the purpose of the program in its Kansas At-Risk Pupil Assistance Program guidelines.²⁷

The purpose of the Kansas At-Risk Program is to provide at-risk students with additional educational opportunities and instructional services to assist in closing the achievement gap.

The following set of graphs illustrates the gaps between low-income and not-low-income students using three different achievement indicators: state assessments, graduation rates and National Assessment of Educational Progress (NAEP) scores. As the graphs illustrate,

Figure 3. Reading Full Comprehension State Assessments – All Students

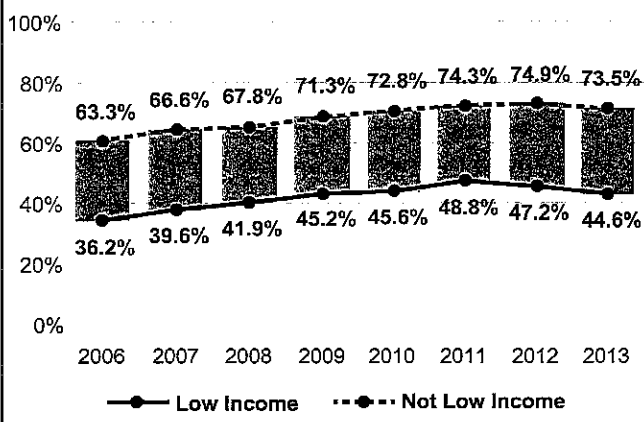


Figure 5. Graduation Rates Males All Students and Free Lunch

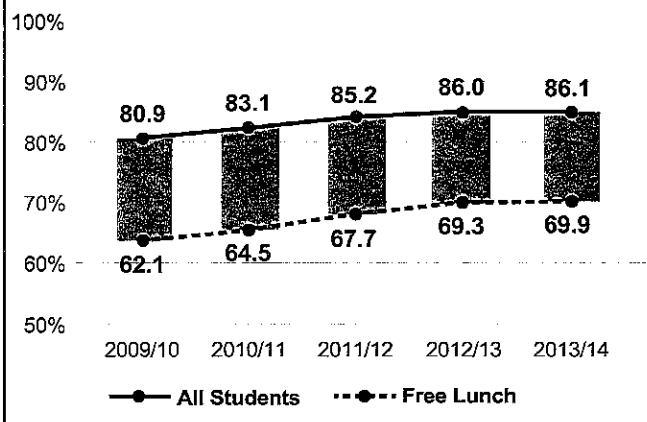


Figure 4. Math Full Comprehension State Assessments – All Students

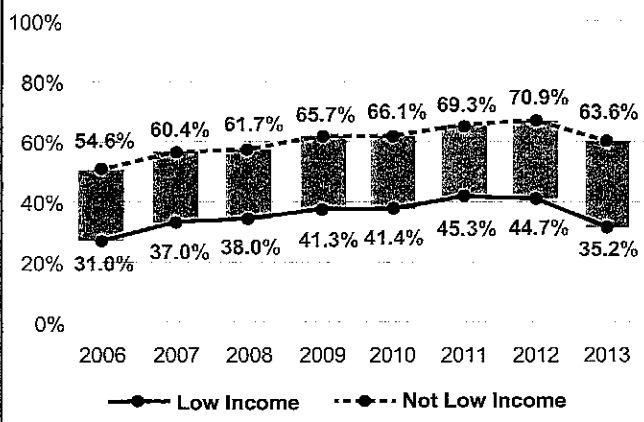
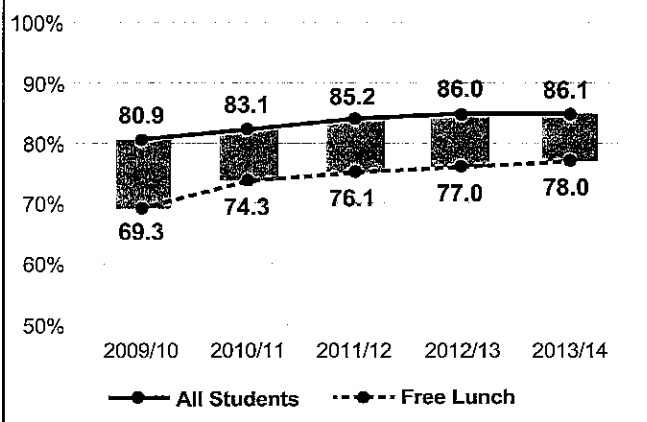


Figure 6. Graduation Rates Females All Students and Free Lunch



the achievement gap is considerable in each of the three indicators. Of even greater significance is that the gaps persist and have *increased* in some cases, regardless of the huge growth in funding, as shown in Figure 2.²⁸

State Assessments. For both reading and math, the achievement gap between low-income and not-low-income students statewide increased for those performing above standard.²⁹ Between 2006 and 2013, when performance categories were unchanged, the reading achievement gap increased from 27.1 percentage points to 28.9 percentage points. In math, the gap increased from 23.7 percentage points to 28.4 percentage points.

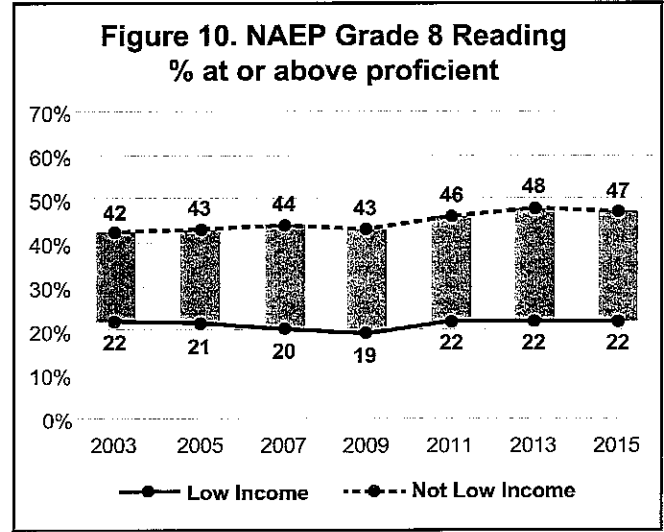
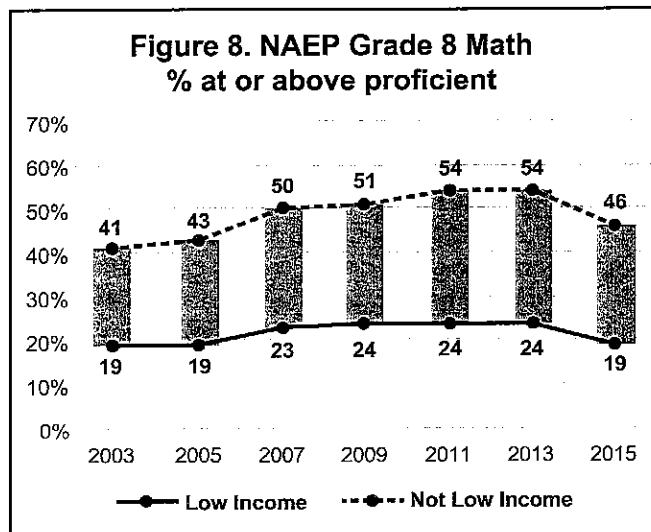
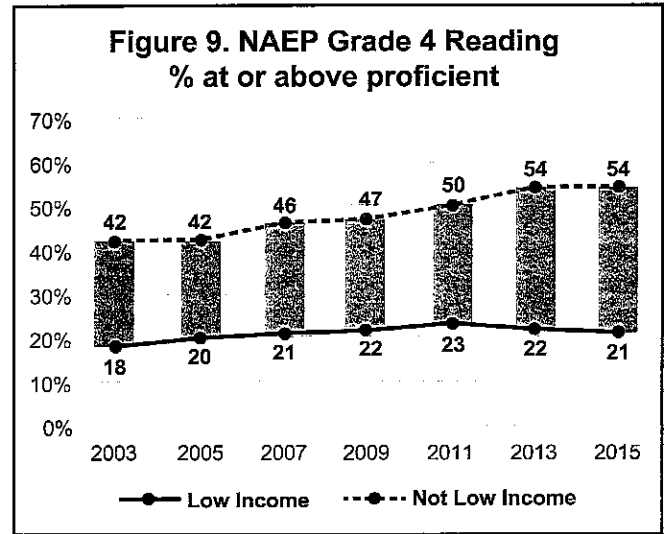
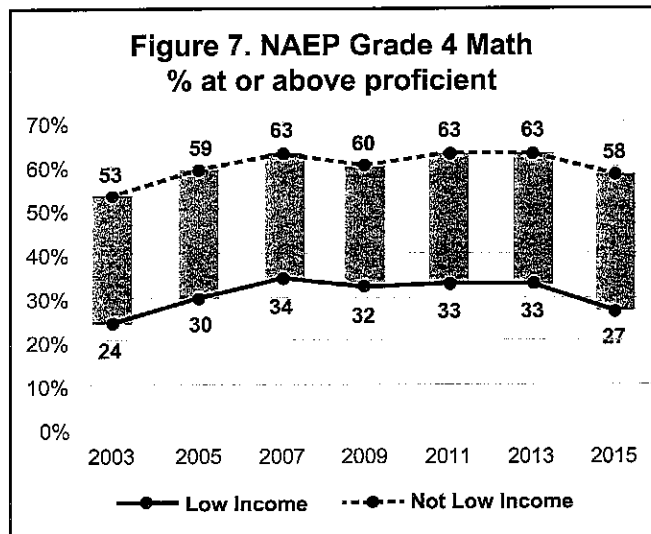
Graduation Rates.³⁰ Figures 5 and 6 show the gap in graduation rates for the past five years of the current graduation rate formula. There persists a gap between those on free lunch on all students,³¹ both males and females.

NAEP. The National Assessment of Education Progress is given to a sample of fourth and eighth grade students across all states every two years in math and reading. It is the only standardized, norm referenced test that affords statewide results. One of the variables NAEP

reports is income status through the free and reduced lunch eligibility. Over the last seven testing cycles, the achievement gap *increased* in both math and reading in both fourth and eighth grades.

Why the at-risk program failed to close the achievement gap.

The dollars were not targeted and spent exclusively on at-risk students by many districts. As previously indicated, only 34 districts reported in 2014-15 that they spent their at-risk allocation only on at-risk students. One hundred twenty districts self-reported that non-at-risk students consumed at-risk dollars through district practices like class-size reduction. The *Topeka Capital-Journal* reported in 2014 that Topeka Public Schools superintendent Julie Ford said “the funds help reduce class size.”³² Many other districts reported similarly. When funds were spent to reduce class size, at-risk students were not directly targeted because non-at-risk students benefitted from the program. The money became commingled with other funds, making it difficult, if not impossible to isolate and discern what was at-risk



and what was not. As such, for all intents and purposes, at-risk funds served as supplemental additional base state aid per pupil (BSAPP).

The KSDE program guidelines allowed the practice of non-at-risk students to be “free-riders.” KSDE permitted districts to fund classroom teachers at a percentage commensurate with the percentage of at-risk students in the district.³³ Therefore, if a district had a 20 percent free-lunch population, the district could charge 20 percent of one or more teachers’ salaries to the at-risk program. Since there was an inherent disconnect between at-risk for funding purposes and at-risk for receiving services, the same disconnect would follow if used as a basis for funding teacher salaries. Simply put, it would not be possible for a classroom teacher’s time and effort be differentiated between at-risk and non-at-risk teaching.

A large share of at-risk money was targeted directly to non-at-risk students. In 2014-15, \$27,654,908 was spent on additional half-day kindergarten. Of the nine criteria identified by KSDE for being at-risk, the only one that would apply to an incoming kindergartener would be as an ELL student. The provision that 2.2 percent of a district’s allocation be set-aside for K-3 reading, would also by definition mean money was targeted to non-at-risk students. That amount in 2014-15 was an estimated \$7,721,072.

School districts were not held accountable for reducing the achievement gap. The at-risk money was, by state statute, an entitlement program for the districts. In order to receive the dollars all that was required was a completed Application and Annual Report. As previously explained, one of the narratives the districts were required to submit in the Annual Report was a description of the impact of the at-risk funds on their students. In 2014-15, of the 286 districts in Kansas, only six addressed the achievement gap in their report, despite the fact that reducing the achievement gap was the stated purpose of the at-risk program. Those districts are:

- Northern Valley (USD 212; 26 at-risk students)
- Ulysses (USD 214; 1,434 at-risk students)
- Deerfield (USD 216; 167 at-risk students)
- Lincoln (USD 298; 119 at-risk students)
- Ellsworth (USD 327; 199 at-risk students)
- Coffeyville (USD 445; 1,269 at-risk students)

Only Coffeyville provided any quantitative data to back up their claim. Their report included this statement:

Within the last two years we have narrowed the achievement gap to within 10 percent of the top group for EVERY sub-group. (emphasis not added)

Most districts included no quantitative data in describing at-risk impact. Several districts simply reiterated what they did, not providing any narrative regarding impact. Many provided only a single sentence in the

impact narrative. Topeka Public Schools (USD 501), a district that received over \$17 million in at-risk funds and served 8,819 at-risk students, provided this as their impact statement:

State At-Risk funds allow the district to operate an alternative high school, provide programs for incarcerated and homeless students and dramatically reduce class size.

The at-risk program operated mostly in the shadows, with little information on the program available to lawmakers or the public. In 2013-14, the state provided districts nearly \$400 million dollars to serve at-risk students in order to reduce the achievement gap. There was no public annual report that summarized how the money was spent or what impact it had. In fact, both the Application and the Annual Report provided from the districts to KSDE was transmitted electronically, leaving no paper copies. Kansas Policy Institute had to obtain copies of the Application and Annual Report through a Kansas Open Records Act (KORA) request.

Recommendations moving forward

An at-risk component should be part of the new education finance law. Even though the previous at-risk program was not successful in closing the achievement gap, the effort to provide targeted dollars to low-income students should continue, albeit in a different format with fundamental changes. There are two fundamental reasons why:

- The achievement gap between the economic haves and have-nots persists and is not closing. Schools should be responsible and accountable for using money that is *specifically targeted* to close the gaps.
- In addition to the first reason, a new formula without an at-risk-type component would probably not pass legal muster. Whatever the new funding law looks like, it is highly likely it will face legal action given the state’s history of litigating school finance. Given that and the courts’ predispositions for monetary deference to economically disadvantaged students, a new law without a component for additional funding targeted toward that population would undoubtedly provoke judicial intervention.

The term “at-risk” should NOT continue to be used to describe the students who generate the dollars. The term should be used to describe an academic condition or status, not a financial one. Although confidentiality laws forbid identifying individually those students who are low-income, it is reasonable to believe many low-income students are not at-risk in an academic sense. Conversely, it is also reasonable to assume that many students identified as academically at-risk are not low-income. The practice of having the same name define two different groups caused needless confusion.

The state should use census data poverty rates as a basis for funding at-risk to school districts and stop using the NSLP qualifications. Simply put, the National School Lunch Program is just that: a school lunch program. It should not be used to determine targeted funding for students who are at-risk of not succeeding in school. There are three main reasons to forsake the free-lunch method in favor of using SAIPE data to determine an individual district's funding level.

- **It is simple.** Every year the U.S. Census releases poverty estimates. The data is drilled down to the school district level and provides the estimated number of 5-17 year-olds in poverty for all 286 districts in Kansas. Assuming the legislature makes an annual at-risk allocation (see the following recommendation), poverty estimates can easily be translated into at-risk distributions for all districts. It is simple for the districts and KSDE because there are no forms to fill, monitor or track regarding the NSLP for at-risk funding purposes.
- **It is equitable.** Using SAIPE data would mean using the same methodology to determine funding for each district. It would mitigate the issue of schools "marketing" free lunch applications to increase at-risk dollars which was practiced in some districts. It would also reduce the potential of fraud since at-risk dollars would not be tied to income reporting.
- **It is predictable.** Since at-risk funding under the old system was a function of the school lunch program, changing eligibility requirements for free lunch could potentially have a significant impact on at-risk funding. In fact, this possibility is already a reality.

The Healthy, Hunger-Free Kids Act of 2010³⁴ includes a little-known provision created by the USDA called the Community Eligibility Program (CEP).³⁵ CEP was established for "schools that wish to offer free school meals to all children in high poverty schools without collecting

household applications."³⁶ CEP, which began in Kansas in the 2014-15 school year and is strictly voluntary, allows an individual school to provide a free lunch to every student if 40 percent of the total student body is categorically eligible for free lunch under NSLP guidelines.³⁷ According to KSDE, 18 schools in five districts chose to participate in the program in 2014-15. That means every one of the 5,993 students in those schools was legally "at-risk" for generating dollars per state statute. However, KSDE required families in those CEP schools to apply for at-risk funding.³⁸ Although it would appear KSDE was being a good steward of public funds by requiring such application process, they had no statutory authority to do so. The state statute is clear: *"At-risk pupils' means pupils who are eligible for free meals under the national school lunch act."*³⁹

Using SAIPE data would provide predictability and take away the unpredictability that comes with using an unrelated, independent program like the USDA's NSLP.

The legislature should make an annual allocation for at-risk funding that occurs coincidentally with U.S.

Census bureau poverty estimates. Replacing a weighting-based system with a dollar allocation would make at-risk funding predictable for both the legislature and school districts. Table 6 below compares, for selected districts, what was actually funded using the existing weighting formula and what the at-risk allocation would have been applying SAIPE data for the 2014-15 school year, using the statewide at-risk dollars as the allocation base. (See Appendix C for the comparison for every school district).

Here is how the allocation based on SAIPE would work, using Wichita (USD 259) as an example. According to the census bureau, there were 14,452 children ages 5 to 17 living in poverty in USD 259 (about one of every four children in that age group). That number is 17.138 percent of the statewide poverty number for that age group. Applying that percentage to the total at-risk fund-

**Table 5. At-risk funding comparing free-lunch based and poverty estimates methods
Selected districts — 2014-15**

School District	Est. pop. children ages 5-17	Est. # of children in poverty	% of children in poverty	% of total poverty statewide	2014-15 at-risk headcount	Weighted at-risk on free lunch	Weighted at-risk high density	At-risk \$ based on free lunch	At-risk \$ based on poverty rate	\$ difference pov. rate minus free lunch
State Totals	523,686	84,325	16.10%	100.00%	195,438	89,119.9	13,496.3	\$395,277,602	\$395,277,602	0
Wichita	57,069	14,452	25.32%	17.14%	33,676	15,356.3	3,536.0	\$72,773,140	\$67,744,464	(5,028,675)
Kansas City	23,280	9,391	40.34%	11.14%	17,861	8,144.6	1,875.4	\$38,597,040	\$44,020,776	5,423,736
Dodge City	6,710	1,204	17.94%	1.44%	4,895	2,232.1	514.0	\$10,577,977	\$5,643,809	(4,934,167)
Geary Cty.	8,596	2,133	24.81%	2.53%	3,453	1,574.6	125.7	\$6,549,556	\$9,998,543	3,448,987
Lawrence	11,971	1,648	13.77%	1.95%	3,429	1,563.6	0.0	\$6,022,987	\$7,725,081	1,702,094
Prairie Hills	1,320	146	11.06%	0.17%	284	129.5	0.0	\$498,834	\$684,382	185,548
Haven	1,189	199	16.74%	0.24%	284	129.5	0.0	\$498,834	\$932,822	433,988
Oxford	296	34	11.49%	0.04%	128	58.4	3.6	\$238,824	\$159,377	(79,447)
Sedgwick	480	51	10.63%	0.06%	136	62.0	0.0	\$238,824	\$239,065	241
Flinthills	271	35	12.92%	0.04%	31	14.1	0.0	\$54,313	\$164,064	109,751
Brewster	101	17	16.83%	0.02%	7	3.2	0.0	\$12,326	\$79,688	67,361

ing estimate for 2014-15 of \$395,277,602, USD 259 would have received \$67,744,464 in at-risk funding, an amount of just over \$5 million less than using the weighted pupil method. Kansas City (USD 500), on the other hand, would have received over \$5.4 million more using poverty estimates.

The table indicates that changing methods would have varying degrees of impact on school districts. Dodge City would receive nearly \$5 million less, but Geary County Schools would get nearly \$3.5 million more. Prairie Hill and Haven Public Schools received the exact same dollar allocation per the weighted formula, but would receive much different increases using SAIPE data. Oxford and Sedgwick Public Schools also received the same number of at-risk dollars, but Oxford would lose nearly \$80,000 while Sedgwick would stay almost the same. In general, the small districts would benefit from the change with 40 of the districts with the smallest 50 allocations receiving more at-risk money. Flinthills' allocation would have more than tripled and Brewster, the district with the smallest 2014-15 at-risk budget, would have seen their at-risk dollars increase more than six-fold.

An interesting side-note is the difference between the number of children in the 5-17 year age group estimated to be in poverty (84,325) and the number of students who qualified for free lunch (195,438).

Require KSDE to redefine the criteria for being at-risk.

Since their own guidelines cite "not working on grade level in either reading mathematics is the major criteria used," that is what most schools are reporting which, in turn, diminishes the meaningfulness of the reports. Part of that redefinition should be to remove being an English Language Learner as an at-risk criterion because it constitutes a duplication of services. In the pre-SB 7 finance formula, additional dollars were targeted directly to ELL students through a 39.5 percent weighting for ELL enrollment.

Separate "additional half-day Kindergarten" and K-3 Reading mastery funding from at-risk.

Additional half-day kindergarten. Since almost every district now provides all-day kindergarten and most kindergarten students do not fit one of the defined criteria for being an at-risk student, it belong in a base state aid category like all the other grades.

K-3 Mastery Reading. State statute required 2.2 percent of at-risk money being spent on "achieving mastery of basic reading skills by completion of third grade."⁴⁰ Since this is not a specific at-risk activity, if continued it should be addressed elsewhere in the new funding law.

Improve accountability to assure funding is targeted toward reducing the achievement gap. Reporting requirements, both from districts to KSDE and from KSDE to the legislature and public should make it easy to determine exactly where the dollars were spent and should quantify the impact. The previously used forms should be redesigned to show specifically how and where at-risk dollars are spent. KSDE should require districts to be more accountable by quantifying impact, specifically the impact on reducing the achievement gap, which is the fundamental purpose of the program.

In addition, KSDE should provide an annual report to the State Board of Education and the Kansas legislature that summarizes the at-risk activities and the growth in achievement for those identified as at-risk students in all 286 districts. The report would include among other things, longitudinal assessment data (e.g. state assessments, NAEP) regarding at-risk students.

It should not take a KORA request for the public to know the impact of hundreds of millions of taxpayer dollars spent annually on at-risk education.

Provide financial incentives for reducing achievement gaps. Districts that are successful in reducing achievement gaps with targeted at-risk money should be recognized with additional dollars.

Appendices

The appendices can be downloaded along with the entire report at kansaspolicy.org.

Appendix A. State At-Risk Annual Report and State At-Risk Application

Each school district completes the state At-Risk Annual Report and State At-Risk Application forms on-line. There are no blank paper copies and KSDE does not produce completed paper copies. The Annual Report of Kaw Valley (USD 321) and the Application for Southern Lyon County (USD 252) shown in this appendix were

randomly selected for example purposes only. Paper copies of the Annual Report and Application for all districts are available by contacting Kansas Policy Institute.

Appendix B. Student application for state at-risk funds

Appendix C. At-risk funding amounts for all school districts comparing previous at-risk formula to SAIPE data as a basis.

Appendix D. At-risk Application and Annual report summary for each district

End Notes

- ¹ *Mock v. State Of Kansas*, No. 91-CV-1009, Shawnee County District Court
- ² 31 Washburn L.J. 489, October 14, 1991
- ³ *Robinson v. Cahill*, 287 A. 2d 187 - NJ: Superior Court, Law Div. 1972
- ⁴ House substitute for Senate Bill 7, 2015 Kansas Legislative Session. A summary of the law prepared by Kansas Legislative Research Department is at http://www.kslegislature.org/li/b2015_16/measures/documents/summary_sb_7_2015.pdf
- ⁵ A description of the existing student weightings, including at-risk is described here: <http://www.kansaspolicy.org/KPI-Blog/119412.aspx>
- ⁶ The term “economically disadvantaged” has had different meanings to different authors. Definitions have included “low income,” “free lunch,” “free and reduced lunch,” “in poverty,” and various labels of those whom English is not their native language.
- ⁷ Bradford, Malt, and Oates, *The Rising Cost of Local Public Services: Some Evidence and Reflections*, National Tax Journal, Volume XXII, No. 2, June 1969, pp. 185-202.
- ⁸ *Ibid*, p. 188
- ⁹ *Ibid*
- ¹⁰ Reschovsky, Andrew and Jennifer Imazeki, *The Development of School Finance Formulas to Guarantee the Provision of Adequate Education to Low-Income Students*, Developments in School Finance, 1997, p. 124
- ¹¹ <http://www2.ed.gov/programs/titleiparta/index.html>
- ¹² 1 percent was specifically targeted toward 3rd grade mastery reading
- ¹³ *Former KPI scholar and current Supreme Court Justice Caleb Stegall describes in detail the methodological shortcomings of both the A&M and LPA studies in “Analysis of Montoy vs. State of Kansas.”*
- ¹⁴ Augenblick, John & John Myers, , *Calculation of the Cost of a Suitable Education in Kansas in 2001-2002 using Two Different Analytic Approaches*, May 2002
- ¹⁵ Legislative Division of Post Audit, *Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches*, January 2006
- ¹⁶ Legislative Division of Post Audit, *Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches, Executive Summary*, January 2006, p. 6
- ¹⁷ Legislative Division of Post Audit, *Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches*, January 2006, p. 2
- ¹⁸ *Ibid*
- ¹⁹ “*Analysis of Montoy vs. State of Kansas*” p. 21
- ²⁰ Legislative Division of Post Audit, *Elementary and Secondary Education in Kansas: Estimating the Costs of K-12 Education Using Two Approaches, Executive Summary*, January 2006, p. 11
- ²¹ <http://www.census.gov/did/www/saipe/>
- ²² http://www.kslegislature.org/li/b2015_16/statute/072_000_0000_chapter/072_064_0000_article/072_064_0007_section/072_064_0007_k/
- ²³ Griffith, Michael, *At-Risk Funding*, Nevada Task Force on K-12 Public Education Funding, February 2014
- ²⁴ Kansas At-Risk Pupil Assistance Program Guidelines 2014-15 <http://www.ksde.org/Portals/0/School%20Finance/budget/Online%20Budget%20Packet/At-Risk%20guidelines.pdf>
- ²⁵ Kansas Department of Education, Kansas At-Risk Pupil Assistance Program, Guidelines 2014-15.
- ²⁶ See Appendix A for examples.
- ²⁷ Kansas At-Risk Pupil Assistance Program Guidelines 2014-15 <http://www.ksde.org/Portals/0/School%20Finance/budget/Online%20Budget%20Packet/At-Risk%20guidelines.pdf>
- ²⁸ It is important to note it has never been determined anywhere how much additional funding is needed to close the achievement gap, largely because there is no evidence that additional funding has ever closed the achievement gap.
- ²⁹ KSDE defines reading above standard as: *When independently reading grade-appropriate narrative and expository text, an advanced student has full comprehension.* KSDE defines math above standard as a student who *usually performs consistently and accurately when working on all grade-level mathematical tasks.* KPI showed in this paper that KSDE lowered the math and reading standards from 2000 in a two-step process that culminated in 2006.
- ³⁰ Since 2009-10 Kansas has used the four-year cohort formula calculated as: the number of students who graduate in four years with a regular high school diploma ÷ (the number of students who entered high school four years earlier + students who transferred in – the number of students who transferred, emigrated or die during the four years.) Although graduation rates are not a complete measure of achievement, they are included in this study to show another indicator of where an achievement gap exists.
- ³¹ KSDE only reports “free-lunch” and “all students” categories.
- ³² <http://cjonline.com/news/2014-03-10/superintendents-say-risk-dollars-are-crucial>
- ³³ Kansas At-Risk Pupil Assistance Program Guidelines 2014-15 <http://www.ksde.org/Portals/0/School%20Finance/budget/Online%20Budget%20Packet/At-Risk%20guidelines.pdf>
- ³⁴ Healthy, Hunger-Free Kids Act of 2010 summary: <http://www.fns.usda.gov/school-meals/healthy-hunger-free-kids-act>
- ³⁵ <http://www.fns.usda.gov/school-meals/community-eligibility-provision>
- ³⁶ Proposed rule: <http://www.fns.usda.gov/sites/default/files/2013-25922.pdf>
- ³⁷ This primarily includes students who are directly certified for free meals on the basis of their participation in the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and the Food Distribution Program on Indian Reservations (FDPIR). It also includes homeless, runaway, Head Start, Even Start, and migrant youth.
- ³⁸ See Appendix B.
- ³⁹ K.S.A. 72-6407(c)1
- ⁴⁰ K.S.A. 72-6414(b)



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