

Funding K-12 Education

National Landscape for How States
Identify and Fund Student Need



SPEAKER

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Research



Report



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Agenda

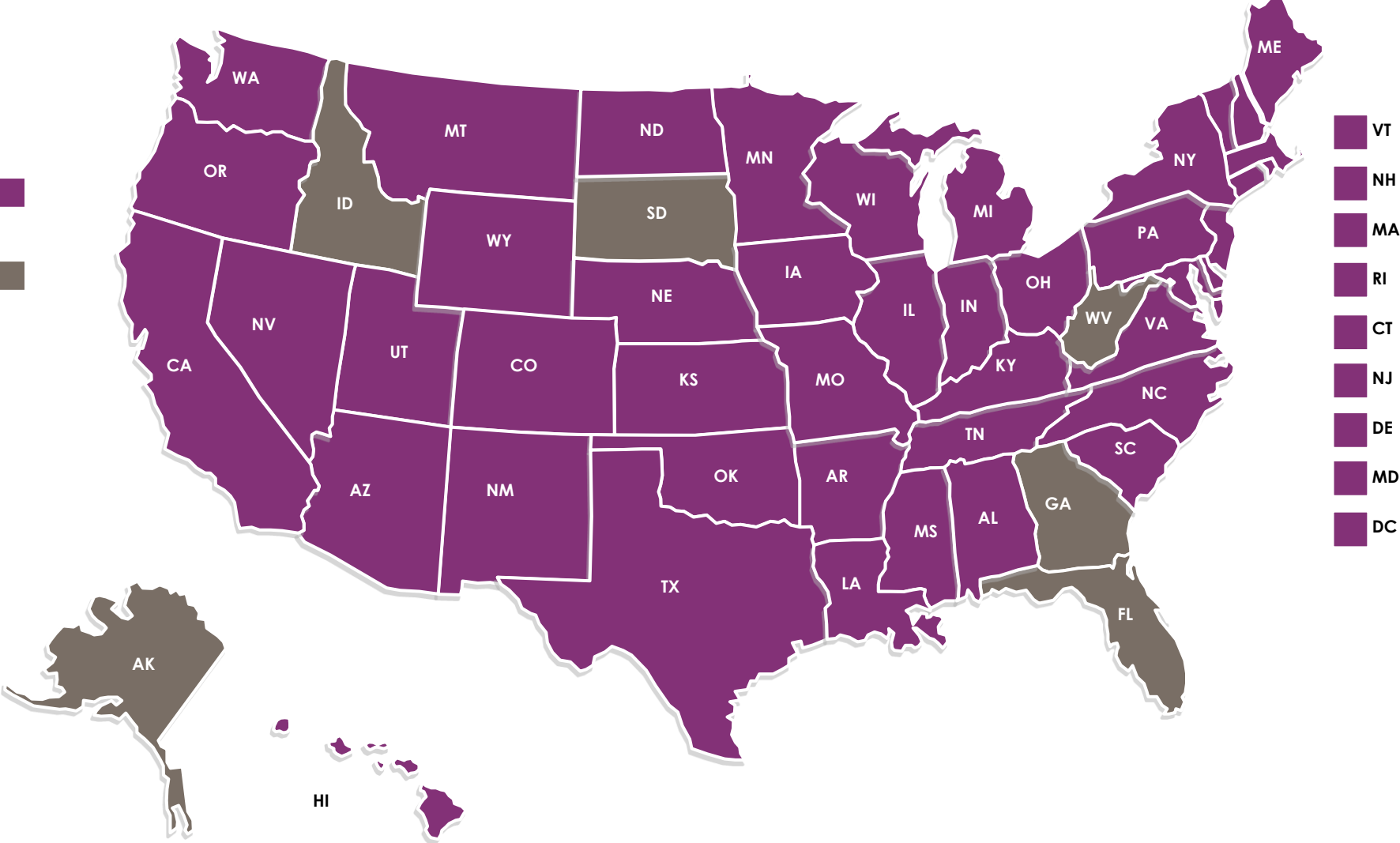
- **Overview of Issue**
- National Landscape – State Approaches
- What Strategy Works Best?
- Questions



Low-Income Funding

Yes
(44 states & DC)

No
(6 states)



Impacts on Student Outcomes

Increases in per pupil spending are associated with:

- Higher graduation rates
- Higher adult wages
- Lower likelihood of adult poverty

Students from low-income families see the most benefit from spending increases



Free and Reduced Priced Meals

National School Lunch Program

- Free - 130% FPL (\$42,900 – family of 4)
- Reduced – 185% FPL (\$61,050 – family of 4)

Community Eligibility Provision (CEP)

- Eligible districts or schools to receive federal reimbursement to offer all students free meals.

Universal Free Meals

- 9 states universal free meals
(CA, CO, MA, ME, MI, MN, NM, NY, VT)



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Methods for Identifying Students

State Approaches:

- Direct Certification in Federal Benefit Programs
- Census Data
 - Child Poverty
 - Census Blocks
- Income Tax Records
- Supplemental Family Survey



Direct Certification

Federal benefit programs

- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Food Distribution Program on Indian Reservations (FDPIR)
- Medicaid

Categorical eligibility

- Students experiencing homelessness, in foster care, migrant students and students in Head Start.



Direct Certification

- At least **20 states** use direct certification as a method for identifying low-income students.
- Some states include Medicaid.
 - Colorado, Massachusetts, Indiana, Illinois, Louisiana, and South Carolina.



Direct Certification

Advantages

- Administrative ease
- Similar income thresholds to free lunch

Challenges

- Different income thresholds to reduced lunch
- Eligibility variation
- Underreporting of certain groups





Massachusetts

Direct Certification and Family Income Forms

- Defines "economically disadvantaged" based on student participation in:
 - Supplemental Nutrition Assistance Program (SNAP)
 - Transitional Assistance for Families and Dependent Children (TAFDC)
 - Foster Care (Department of Children and Families)
 - MassHealth (Medicaid)
- Optional supplemental low-income data collection form.
 - Family incomes up to 185% of FPL
- 1.6 USDA multiplier.

Census Data

Census Block Group

- The American Community Survey (ACS)
 - Demographic survey sent to approximately 3.5 million households annually
 - Childhood poverty rates (under 18)
 - Covers 40+ topics: housing, employment, U.S. citizenship

Child Poverty Rates

- Small Area Income and Poverty Estimates (SAIPE) Program
 - Annually published by the U.S. Census Bureau
 - Childhood poverty rates ages (ages 5-17)
 - Every school district in the state



Census Data

Advantages

- Administrative ease
- Eligibility constant across states
- Multiple indicators (*ACS only*)

Challenges

- Not specific to public schools
- Data level (*ACS only*)
- Data lag



Texas

Census Block Group

- Tiered approach using data from ACS.
 - Median household income.
 - Average educational attainment.
 - Percentage of single parent households.
 - Rate of homeownership.
- Data is about families in census block, not necessarily enrolled in public school.



Income Tax Records

Income Tax Records

- Student matched with income tax data collected by the state.
- Requires cooperation between state departments.
- Only New Mexico uses state income tax data.



Income Tax Records

Advantages

- Not reliant on federal programs or data
- State can set income threshold(s)

Challenges

- Administrative burden
- Data privacy





New Mexico

Family Income Index

- First state in the country to use state data from income tax returns.
- Partnership between three state agencies.
- Five Family Income Levels
 - 75% to 225% of FPL



Family Income Form

Family Income Forms

- State creates form and districts administer collection.
- States include Massachusetts, Vermont and Washington.



Family Income Forms

Advantages

- Safeguard to identify students missed by other measures

Challenges

- Administrative burden
- No incentives for completion



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Tradeoffs

Direct Certification

- Default route. Easy to administer, but some students will be excluded.

Census Data

- Worth considering for states with small % of students in private school and no plans for expanding ESAs or vouchers.

Income Tax Records

- Worth considering for states with income taxes and longer implementation timeline.

Family Income Forms

- Safeguard to identify students missed by other measures.



State Strategies

Approaches are not mutually exclusive. State can use multiple measures:

- Direct Certification + Medicaid + Supplemental Family Survey (MA)
- State Income + Direct Certification + Census (NM)

Pilot new approaches:

- Houston and San Antonio ISDs in TX pioneered census block approach prior to statewide adoption.



Questions?





**EDUCATION
COMMISSION**
OF THE STATES

Your education policy team.

THANK YOU

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