

**TASK FORCE ON K-12 PUBLIC EDUCATION FUNDING
TECHNICAL ADVISORY COMMITTEE
(SENATE BILL 500, 2013 LEGISLATURE)**

May 8, 2014

**DISCUSSION OF POTENTIAL RECOMMENDATIONS TO THE TASK FORCE ON
K-12 PUBLIC EDUCATION FUNDING CONCERNING POSSIBLE MODIFICATIONS
FOR STUDENTS IDENTIFIED AS ENGLISH LANGUAGE LEARNERS AND
STUDENTS AT RISK OF LOW ACADEMIC ACHIEVEMENT**

The Technical Advisory Committee (TAC), as committee members are aware, was tasked with examining and discussing key components pertaining to the development of a plan for revising and implementing Nevada's K-12 funding formula. The plan must equitably account for the needs of, and the costs to educate students based upon the individual educational needs and demographic characteristics of students including, without limitation, students from low-income families, students with disabilities, and students who have limited proficiency in the English language through a weighted funding formula. The recommendations of the TAC will be provided to the Task Force on K-12 Public Education Funding for consideration at its final meeting in late June.

As the committee will recall, at its March 31, 2014, and April 21, 2014, meetings, the TAC reviewed and discussed several issues for consideration in recommending modifications to the state's funding formula for students identified as ELL, and students at risk of low academic achievement. The issues listed and discussed below represent the main policy aspects related to each of these student populations, which the TAC will want to consider in making its upcoming recommendations to the Task Force.

Major K-12 Funding Formula Issues Pertaining to ELL Students

1. Identification of ELL Students
2. Weight(s) to be Used to Allocate Funding
3. Allocation of Funding Based on Density
4. Funding Inside or Outside the K-12 Funding Formula
5. Duration of ELL Funding

1. Identification of ELL Students

Summary of Issue: According to the most recent data from the U.S. Department of Education, Nevada had the second highest percentage of public school students participating in ELL programs of all the states during the 2010-11 school year (California had the highest percentage). Additionally, the Nevada Report Card published by the Nevada Department of Education (NDE), indicates that 14.9 percent of Nevada students were classified as ELL during the 2012-13 school year. Because of the high percentage of Nevada students that could be impacted by additional funding for ELL students, committee members at the March 31, 2014, meeting of the TAC noted that it is important to ensure the identification process is comprehensive and uniform statewide. In addition, the authors of the

2012 American Institutes for Research (AIR) study (Appendix E) noted that states should consider options to minimize or eliminate incentives to overclassify students based on targeted needs.

Current Nevada regulation states, “Each school district shall identify the primary language of each pupil who enrolls in a school within the district for the first time.” Additionally, the regulation indicates that “a pupil’s primary language shall be deemed to be a language other than English if: (a) the pupil first spoke a language other than English; (b) the primary language spoken in the home of the pupil is not English; or (c) the language most often spoken by the pupil is not English.” (See NAC 388.620).

To comply with this regulation, committee member Paul Johnson reported at the April 21, 2014, meeting of the TAC that all Nevada school districts administer a home language survey to all incoming students. According to the NDE’s Office of Educational Opportunity, any affirmative response to primary language, home language, or language used with peers being other than English requires an ELL screening test to be administered to the student. Once identified for the screening test, federal law indicates that student participation in the screening test is not optional and cannot be waived by parent preference. The NDE’s Office of Educational Opportunity also notes that teachers and school officials can recommend students for ELL screening outside of the home language survey process.

Mr. Johnson also noted in his testimony that all Nevada school districts use the World-Class Instructional Design and Assessment (WIDA) ACCESS Placement Test (W-APT) as the ELL screening test. According to the NDE’s Office of Educational Opportunity, the W-APT is given to all identified students to determine qualification into the ELL program. If a student is a new arrival to the school district at the beginning of the school year, federal law requires the district to administer the screening test and inform parents of identification into the ELL program within 30 days of school starting. If the student arrives or is recommended for ELL screening during the school year, the school district must assess the student and inform parents of the results within two weeks. The threshold for ELL identification on the W-APT is uniform statewide and applies to all the school districts within the state.

According to the NDE’s Office of Educational Opportunity, this ELL identification process is followed for all students ages 3 through 21 enrolled in K-12 public education in Nevada. Once a student is identified as ELL, identification data is entered into a district’s student information system, as well as the state’s System for Accountability Information in Nevada (SAIN). At the March 31, 2014, meeting of the TAC, committee member Julia Teska indicated that ELL identification data is collected yearly by the NDE and is kept current.

In addition to the data collected by the individual school districts, Mr. Johnson noted in his presentation that federal, state, and county level census data is available to identify limited English proficiency (LEP) families. According to Mr. Johnson, the

federal and state data do not account for variations in local demographics and are not directly linked to student services. Regarding the county census data on LEP families, Mr. Johnson indicated it varies in consistency based on the level of resources and expertise at each county department. Additionally, Mr. Johnson noted LEP parents may have students who are proficient in English. It was Mr. Johnson's conclusion that the ELL data already collected by the school districts is a more appropriate identifier of ELL students for purposes of providing weighted funding because it takes into account school district specific demand for ELL services.

The following options are provided to the TAC for consideration in recommending an identifier(s) as the basis for eligibility for funding for ELL students including, but not limited to:

- a. Use the current data collected by the school districts and the NDE on the number of ELL students within a particular school district.**
- b. Use county level data on LEP families as a proxy for the number of ELL students within a particular school district.**
- c. Use a combination of both approaches.**

2. Weight(s) to be Used to Allocate Funding

Summary of Issue: According to the 2012 AIR report, 42 states provide some form of additional funding for ELL students, with large variation among the weights provided. For example, the amount of additional funding for ELL students ranges from 10 percent (Texas) to 99 percent (Maryland). The AIR study also found that the average additional funding for ELL students that states provide equates to 38.7 percent. The AIR report also includes a 50-state survey of ELL policies and programs (Appendix G) and weights for ELL students (Appendix H). The complete survey is provided at the end of this document as Attachment 1 and 2; however, the following are a few examples of weights used by states to fund ELL programs:

- Arizona: A weight of 0.115 is included in the basic state aid calculations.
- Florida: Funding for speakers of other languages is weighted at 0.147.
- Hawaii: The weighted-student formula provides an ELL weight of 0.2373 of general education aid.
- Iowa: An additional weight of 0.22 per ELL student is provided.
- Missouri: Adds an ELL weight of 0.60 when district ELL counts exceeds a statewide threshold.
- New Jersey: An additional weight of 0.50 per ELL student is provided.

At the February 28, 2014, meeting of the Task Force on K-12 Public Education, Mike Griffith noted that national studies recommend between 14 and 100 percent additional funding per ELL student. The authors of the 2012 AIR study recommended additional ELL funding in Nevada; however, a specific amount per ELL student was not identified. Instead, the authors noted that there are a

reasonable range of weights that Nevada should consider based on what other states use.

At the April 21, 2014, meeting of the TAC, information prepared by committee member Jim McIntosh showed a recommended ELL weight in Nevada of 1.33, which would amount to an additional 33 percent above the basic support funding for ELL students. This weight was calculated using the current per-pupil costs at Clark County School District Zoom Schools. Mr. McIntosh's report further indicated that the ELL weight should be applied to all school levels (i.e., elementary and secondary) and districts in the state and that any economies of scale lacking at rural school districts could be captured through a small/rural school adjustment. In contrast, the 2006 adequacy study by Augenblick, Palaich, and Associates, Inc. recommended differentiated ELL weights depending on whether a school district was classified as small, moderate, or large. Under this scenario, ELL students in small districts would receive the largest weight and ELL students in large districts would receive the smallest weight.

When using the ELL weights in other states for a comparison, Mr. Griffith noted that it is important to remember that the actual dollar amount associated with each state's weight depends on the state's base per-pupil funding amount. For example, a weight of 0.5 on a base per pupil amount of \$5,000 per student would result in an additional \$2,500 per ELL student. The same weight on a base per pupil amount of \$10,000 would result in an additional \$5,000 per ELL student. As a result, Mr. Griffith urged caution when using ELL weights in other states as a guide for any potential ELL weight in Nevada.

The following options are provided to the TAC for consideration in recommending a weight(s) for ELL students including, but not limited to:

- a. A single weight value. If this option is selected, the TAC would need to determine the weight value to be recommended.**
- b. A differentiated weight value based upon school district size. If this option is selected, the TAC would need to determine the weight values that would correlate to varying district sizes.**

3. Allocation of Funding Based on Density

Summary of Issue: According to testimony provided by Mike Griffith at the February 28, 2014, meeting of the Task Force on K-12 Public Education Funding, research has shown that there are factors that can influence the cost of educating ELL students. These factors include small school districts with few ELL students, large school districts with a high density of ELL students, and an ELL student population with multiple native languages. In addition, Mr. Griffith noted that research shows that as the percentage of ELL students within a district increases, the cost to educate the ELL students increases.

At the April 21, 2014, meeting of the TAC, Mike Alastuey provided a summary of California's recently implemented Local Control Funding Formula (LCFF), which provides a density index weight for school districts with many FRL or ELL students. In his summary, Mr. Alastuey noted that the LCFF recognizes that districts with large numbers of high-needs students face extra challenges and costs. Accordingly, if more than 55 percent of a school district's students fall into a high-needs category (which includes ELL), the district qualifies for an additional concentration grant for each high-needs student over the 55 percent threshold. Mr. Alastuey indicated that the concentration grant equals an additional 50 percent of the base grant for each high-needs student above the 55 percent threshold. According to information provided by Mr. Alastuey regarding the LCFF, the grant is intended to help address research findings showing that students face extra academic challenges if their peers are also poor or struggling to learn English.

At the March 31, 2014, meeting of the TAC, committee members discussed whether any additional ELL density funding should be based on individual school density or school district density. Of the members who commented on the issue, the consensus was that any ELL density funding should be based on school district density due to the fact that the current state funding formula allocates funding based on school districts, not individual schools. In addition, at the April 21, 2014, meeting of the TAC, committee member Dr. Jesse Levin pointed out what he considered to be a concern with California's density grant system under the LCFF. Dr. Levin stated that having a single density threshold can create a perverse incentive for school districts near the density threshold to overclassify ELL students in order to reach the level where additional funding kicks in. According to Dr. Levin, if Nevada were to provide additional ELL funding based on density, one way to reduce this perverse incentive would be to have multiple density thresholds tied to increasing ELL funding as the ELL population density of a particular school district increased.

The following options are provided to the TAC for consideration in recommending the allocation of ELL funding based on density including, but not limited to:

- a. Provide additional ELL density funding for school districts that exceed a predetermined density level of ELL students. If this option is selected, the TAC would need to determine the density level that would trigger additional funding, as well as the amount of density funding.**
- b. Provide additional ELL density funding for school districts that exceed multiple predetermined density levels of ELL students. If this option is selected, the TAC would need to determine the density levels that would trigger additional funding, as well as the amount of density funding associated with each level.**
- c. Do not provide any additional funding for ELL students based on the density of ELL students within a school district.**

4. Funding Inside or Outside the K-12 Funding Formula

Summary of Issue: The authors of the 2012 AIR report noted that there was no rich literature describing a single best approach to addressing the needs of ELL students. The report indicated that the range of options and their costs are wide and represent a multitude of cost factors (e.g., numbers of languages represented among student populations and the extent to which there is a critical mass of students whose primary language is the same) and delivery systems (e.g., bilingual education, English as a second language, or language immersion). Similarly, at the February 28, 2014, meeting of the Task Force on K-12 Public Education, Mike Griffith stated that when it comes to providing additional funding for ELL students either inside the funding formula or using some form of grant program or categorical funding outside the formula, there is no research that shows one method is better than the other. Mr. Griffith also commented that there is no correlation between ELL student achievement and whether a state funds ELL students or programs inside or outside the state funding formula. However, Mr. Griffith did indicate that national trends show that states are moving away from funding high-need students outside the state's funding formula to providing any additional funding inside the formula.

At the April 21, 2014, meeting of the TAC, Mike Schroeder reported that the 2012 AIR study counted 42 states that provide some additional state funding for ELL students. After reviewing the 50-state survey included in the AIR report, Mr. Schroeder indicated that at least 28 of the 42 states utilized a weighted or some kind of per-pupil funding mechanism within their formulas. Furthermore, Mr. Schroeder noted that 13 of the 28 states applied some kind of weight inside the state funding formula.

During committee discussion on this issue at both the March 31, 2014, and the April 21, 2014, meetings of the TAC, many comments were made describing both the benefits and disadvantages of the various funding methods available. Regarding the possibility of funding ELL students inside the formula, committee members mentioned that this method tends to equalize funding, meaning the amount each district receives will be related directly to the number of ELL students served. Also, providing funding inside the formula reduces the strict compliance mentality of the school districts and shifts the focus to student outcomes.

Concerning the possibility of funding ELL students outside the formula, committee members commented that categorical or grant funding is more targeted and is easier to track. However, committee members also noted that categorical funding requires additional administrative costs and regulatory burdens at the school district level. Members also indicated that categorical funding can segment the student population and does not encourage comprehensive planning. Overall, there were various comments in support of any initial funding for ELL students being provided as categorical funding with a shift to providing the funding inside the formula after a phase-in period. Whatever the method, committee members did stress the need to be able to measure performance and track results.

The following options are provided to the TAC for consideration in recommending whether funding for ELL students should be inside or outside the state's K-12 funding formula including, but not limited to:

- a. Provide additional funding for ELL students inside the state funding formula either through a weight or per-pupil amount.**
- b. Provide additional funding for ELL students outside the state funding formula through categorical grants to individual school districts.**
- c. Provide additional funding for ELL students initially outside the state funding formula then transition to inside the formula after a phase-in period.**

5. Duration of ELL Funding

Summary of Issue: During his presentation to the Task Force on K-12 Public Education Funding on February 28, 2014, Mr. Griffith noted that one of the goals of state ELL programs is to move students from ELL designation to non-ELL status. He further commented that unlike students from low-income households or special education students, an ELL designation should generally not be a permanent status throughout a student's educational career.

Some states have looked at limiting the number of years that a school district can receive additional funding for ELL students. Of the states that do limit the amount of time state ELL funding is available, the duration of funding provided varies. According to the 50-state survey prepared by AIR in 2012, Iowa provides up to four years of weighted funding for ELL students. After the four years, school districts can apply for an exception to extend funding beyond the fourth year. In Arizona, Proposition 203 limits funding to ELL programs for a "temporary transition period," generally one year according to Mr. Griffith.

During her presentation at the April 21, 2014, meeting of the TAC, committee member Julia Teska indicated that there are many factors that influence the rate of English language acquisition and therefore, the amount of time a student is designated as an ELL. These factors include a student's age; personality; socioeconomic status; literacy level in their native language; initial English proficiency; the quality of language instruction; and, the type of language instruction. Ms. Teska further indicated that these factors vary by individual student and by school district and can make it difficult to set hard timeframes for when ELL students should be expected to exit ELL designation.

Similarly, Mr. Griffith noted that a survey of the current research on ELL funding indicates the time needed for additional ELL funding can vary greatly and depends on a student's ability when they enter school. For instance, Mr. Griffith indicated that students who come in with an education background in their native language, and can read and write in that language, can be moved off ELL designation more quickly, sometimes in two years or less. However, students who do not enter school with an

education background in their native language can take between seven and ten years to move off of ELL designation. Consequently, Mr. Griffith concluded that setting an ELL funding duration limit for all ELL students may be difficult.

Despite the difficulties in establishing a maximum amount of time an ELL student can receive additional ELL funding, the 2012 study by AIR noted that states should consider options to minimize or eliminate disincentives associated with reclassification when a student no longer meets the special need eligibility requirement. According to the study's authors, one approach to reducing over-classification of students with language deficits is to establish a maximum period during which a student may be classified as an ELL for additional funding purposes. The authors indicate that this would encourage districts to monitor student progress carefully during their periods of eligibility to ensure they are benefitting from the program and are prepared to receive general education services when they exit the program.

Another option to minimize the funding disincentives associated with transitioning students off ELL designation is to offer school districts financial incentives. For example, Mr. Griffith mentioned that in the past, California and Texas provided additional funding to districts based on how many students they were able to move off ELL designation. Mr. Griffith noted that the financial incentive in these states was relatively small, around \$100 per student moved off ELL designation, and that both states have discontinued the program. Mr. Griffith also said he is not aware of any other states that have similar programs in place currently.

The NDE's Office of Educational Opportunity notes that even after a student exits from ELL status, the student support needs continue as linguistic and academic content increase in complexity. Similarly, Mr. Griffith indicated that while recently exited ELL students outperform their ELL peers, the research shows that these students still underperform general education students who have either never been designated as an ELL or who transitioned from ELL status several years ago. According to Mr. Griffith, this supports the idea of continued ELL funding even when a student leaves the program. Likewise, the NDE's Office of Educational Opportunity indicates that it supports continued funding for two years after exit.

According to the NDE's Office of Educational Opportunity, all identified ELL students in grades K-12 are required by federal law to annually be given an English Language Proficiency Assessment (ELPA). The ELPA consists of four separate language domain assessments (reading, writing, listening, and speaking), with six proficiency levels for each language domain of the test. In order to exit ELL status, a student must achieve a minimum score of 5.0 on the literacy sections and a total composite score of 5.0. This exit criteria is applied to all ELL students statewide regardless of school district. Because the ELPA test is required by federal law to be administered annually, the NDE currently collects data on ELL students who transition out of the program each year. The NDE also collects data on the progress of current ELL students in obtaining English proficiency and classifies these student in tiers based on their achievement level.

At the April 21, 2014, meeting of the TAC, Ms. Teska noted that the typical duration for a Nevada student to be designated as an ELL is four to six years. However, Ms. Teska indicated that passing the ELPA only signifies conversational English proficiency. She further stated that the NDE stresses academic English proficiency, which takes a typical Nevada ELL student five to seven years to achieve. In total, she stated that a Nevada student's ELL designation could range from four to ten years. According to data from the NDE, of all Nevada students who enter kindergarten as an ELL, approximately half exit ELL status in middle school and approximately half become long term ELL students and may never exit ELL status.

The following options are provided to the TAC for consideration in recommending the duration of ELL funding including, but not limited to:

- a. **Provide additional ELL funding for a fixed number of years or until the student exits the educational system. If this option is selected, the TAC would need to determine the number of years ELL funding would be available.**
- b. **Provide additional ELL funding until the student reclassifies as non-ELL.**
- c. **Provide additional ELL funding for a fixed number of years and then partial funding for a fixed number of years. If this option is selected, the TAC would need to determine the number of years full ELL funding would be available and the number of years partial ELL funding would be available.**
- d. **Provide additional ELL funding for a fixed number of years and then partial funding until the student reclassifies as non-ELL. If this option is selected, the TAC would need to determine the numbers of years full ELL funding would be available.**
- e. **Provide additional funding for a fixed number of years and then partial funding until the student reclassifies as non-ELL and then two years of maintenance funding. If this option is selected, the TAC would need to determine the number of years full ELL funding would be available.**

An additional possibility to consider that can be combined with any of the above options is the establishment of a financial incentive for moving students from ELL designation.

Major K-12 Funding Formula Issues Pertaining to Students At Risk of Low Academic Achievement

- 1. Identification of Students At Risk of Low Academic Achievement
- 2. Weight(s) to be Used to Allocate Funding
- 3. Funding Inside or Outside the K-12 Funding Formula
- 4. Students Who Qualify for Multiple Weight Categories

1. Identification of Students At Risk of Low Academic Achievement

Summary of Issue: As detailed in the report by the American Institutes for Research (AIR) entitled *Study of a New Method of Funding for Public Schools in Nevada* presented to the New Method for Funding Public Schools committee during the 2012-13 interim, 36 states provide supplemental state support for students at risk of low academic achievement. A 50-state inventory of the eligibility requirements for low income/at-risk students was included in AIR's 2012 report (Appendix E) and has been reproduced and attached to this document as Attachment 3 for reference by committee members.

According to AIR, eligibility requirements vary among these states. AIR's survey revealed that some states provide additional funding based on performance or provide assistance for students at risk of dropping out of school, but most states target eligibility on either free or reduced-priced lunch (FRPL) or both.

In 2010, the education consulting firm Augenblick, Palaich and Associates (APA) conducted a comprehensive review of North Carolina's K-12 funding structure. Recommendations outlined by APA to improve North Carolina's K-12 funding structure included distributing North Carolina's At-Risk Student Allotment funds based on either the number of low performing students in each district, or a proxy for low performance, such as the number of Title I eligible students or the number of students eligible for federal lunch support (reduced-price and/or free lunch).

Additionally, school finance consultant Michael Griffith, of the Education Commission of the States (ECS), presented information on at-risk funding to the Task Force at its February 28, 2014, meeting. Mr. Griffith indicated that ECS had reviewed at-risk funding in 41 states of which 35 states provide some form of funding for students at risk of low academic achievement, while 6 states do not (including Nevada). Of the 35 states that provide at-risk funding, 15 states use FRPL as the sole identifier; 3 states only use free lunch as an identifier; and 5 states use free and reduced-price lunch (FRPL) as one of the measures for identifying students at risk of low academic performance.

Survey information from AIR's report also indicated some states provide funding on a sliding scale based on concentrations of students that are low income (Arkansas). AIR noted that larger concentrations of low-income students incur higher costs on average. Mr. Griffith stated that Arkansas, Colorado, Indiana, Minnesota, Nebraska and Virginia have funding systems that take the density of at-risk student populations into account. California, through its new Local Control Funding Formula (LCFF), provides an additional 50 percent of the adjusted base to each student in school districts with more than 55 percent (unduplicated count) of FRPL or ELL students.

Some states, Mr. Griffith noted, utilize poverty figures instead of FRPL as identifiers. Florida and West Virginia provide at-risk funding to school districts based on a percentage of total enrollment. Nebraska, North Carolina, and Vermont use census data to identify students from low-income families, while Montana and New Mexico

use qualification for federal Title I funding as an identifier. Georgia and Utah use student achievement measures as an identifier for students at risk of low academic achievement. According to Mr. Griffith's presentation, Oregon identifies students eligible for at-risk funding as students in foster homes or in facilities for neglected or delinquent children; Texas provides at-risk funding to pregnant students and children of military families; and North Carolina also includes students in single-parent families or families with at least one parent without a high school degree as students eligible for at-risk funding.

Mr. Griffith commented that many states use FRPL lunch data because it is a good tool for identifying at-risk students as it accounts for more than 57 percent of the variations in student achievement across schools. In addition, the information is easy to collect, because it is data already required to be reported to the federal government by school districts participating in the FRPL program. Mr. Griffith also discussed issues associated with utilizing FRPL as an identifier for at-risk funding. He noted that the FRPL data does not identify all students who may be at risk of failing, the number of FRPL students decreases as students grow older and a number of rural schools and charter schools do not operate a school lunch program, and, as such, do not collect this data.

Additionally, at its meeting held February 28, 2014, the Task Force discussed the new community eligibility provision (CEP) to qualify for the FRPL program. According to the United States Department of Agriculture website, the CEP provides an alternative approach for offering school meals to local educational agencies and schools in low income areas instead of collecting individual applications for FRPL meals. Beginning in the 2014-2015 school year, all schools nationwide that meet the 40 percent identified student threshold will be eligible to participate in this option.

Mr. Griffith stated that in Kentucky, where the CEP has been piloted, school districts that qualify for the FRPL program under this provision can use census data to qualify for the state's supplemental at-risk funding instead of utilizing individual FRPL student data. Mr. Griffith further stated that as the CEP expands across the country, it could become a bigger issue for states that identify students for at-risk funding based on individual FRPL eligibility. As a result, Mr. Griffith noted that we could see states changing eligibility requirements from data collected for the FRPL program to poverty data collected from the census, which would be easy to facilitate in Nevada since school districts are county based.

Moreover, at the April 21, 2014, meeting of the TAC, at the request of two committee members, the Chair requested that at a future meeting of the TAC, the committee discuss student mobility rates (transiency) as a contributing factor for students at risk of low academic achievement. As a result, information related to student mobility as a possible identifier of at-risk students has been included for discussion by the committee.

According to a study by the Thomas B. Fordham Institute, published in June 2006, entitled *Fund the Child*, several studies have shown that student mobility has a negative impact on academic performance. This report cites a 1998 study, which

found that as student turnover rates increased, school and district performance ratings suffered. It should be noted that Hawaii provides a weight of 5 percent for transiency. The authors of the *Fund the Child* study assert that while high mobility schools arguably deserve supplemental funding to address these challenges, mobility is highly correlated to other kinds of disadvantage that likely would be weighted under a weighted student funding formula.

The following options are provided to the TAC for consideration in recommending an identifier(s) as the basis for eligibility for funding for students at risk of low academic achievement including, but not limited to:

- a. A single identifier, such as:**
 - i. Free and/or reduced-priced lunch data;**
 - ii. Qualification for federal Title I funding;**
 - iii. Census data to identify poverty rates;**
 - iv. Student performance – students at risk of not meeting state standards in core subjects;**
 - v. Concentration of low-income students;**
 - vi. Mobility rate of low-income students; or**
 - vii. An alternative identifier.**
- b. Multiple identifiers including, but not limited to, two or more of the identifiers listed in option (a).**

2. Weight(s) to be Used to Allocate Funding

Summary of Issue: According to AIR's 2012 report, the authors identified what other states were doing with respect to weights for individual student needs and offered some options for consideration by state policymakers. A 50-state inventory of the weights for low income/at-risk students was included in AIR's 2012 report (Appendix F) and has been reproduced as Attachment 4 for reference by the committee.

According to AIR, weights used by states to provide additional funding for students identified as at-risk vary with weights ranging from 5 percent in Mississippi to 97 percent in Maryland. The average weight reported in the inventory was 29 percent, with most states providing additional funding ranging from 20 percent to 25 percent per pupil beyond the base.

Both Texas and California provide each student who meets the low-income eligibility requirements a weight of 20 percent. Arkansas has a graduated weight system for at-risk funding based upon the concentrations of poverty within a school district. For example, if a school district's FRPL percentage is less than 70 percent, the at-risk weight is 8 percent; FRPL percentage equal to 70 percent, but less than 90 percent, the at-risk weight is 16 percent; and FRPL percentage greater than or equal to 90 percent, the at-risk weight is 25 percent.

The committee is reminded that the value of a weight is correlated to the amount of the base funding. As such, there may be some states with a lower base funding and higher weights for selected student attributes and vice versa with some states having a higher base funding and lower weights.

In APA's 2006 study entitled *Estimating the Cost of an Adequate Education in Nevada* prepared for the Legislative Commission's Committee to Study School Financing Adequacy, the authors identified one potential way to structure weights for students identified as at-risk based on the size of a school district. The threshold for district size in considering weights for at-risk students outlined in APA's 2006 report are as follows:

	APA's At-Risk Weight Structure Based on School District Size		
School District Size	Small	Moderate	Large
School District Enrollment	780	6,500	50,000

In addition, at the April 21, 2014, meeting of the TAC, committee member Dr. Walt Ruffles presented a report both he and committee member Jim McIntosh prepared on the determination of weights to be used to allocate funding for ELL students and students at risk of low academic achievement. Their report recommended weights for at-risk students ranging from 11 percent to 25 percent.

The following options are provided to the TAC for consideration in recommending a weight(s) for students at risk of low academic achievement including, but not limited to:

- a. **A single weight value. If this option is selected, the TAC would need to determine the weight value to be recommended.**
- b. **A differentiated weight value based upon school district size. If this option is selected, the TAC would need to determine the weight values that would be assigned to varying district sizes.**
- c. **A graduated weight value based upon the concentration of students identified as at-risk. If this option is selected, the TAC would need to determine the weight values that would correlate to varying concentration percentages.**

3. Funding Inside or Outside the K-12 Funding Formula

Summary of Issue: States typically use one of two strategies for targeting funding above the per-student base amount to students with special needs. The differences in student needs are addressed by adding weights to the basic funding formula for identified types of students or establishing separate categorical programs to provide funding for programs to meet the needs of identified students.

As members of the TAC may recall, formula funding is generally unrestricted in that a school district directs the spending of this type of funding. One of the concerns

with adding weights to the basic funding formula is how to ensure that the additional funding will be used to provide supplemental services to the identified students. In contrast, funding that is provided through categorical programs is typically targeted for certain purposes, and, as such, is restricted as to how the funding may be expended.

The 2012 report published by AIR recommended that Nevada incorporate funding adjustments for at-risk students and ELL students into the state's funding formula to account for these student need cost factors and to ensure equity across districts.

In his February 28, 2014, Task Force presentation on at-risk funding, Mr. Griffith reported that of the 35 states reviewed by ECS that provide some form of at-risk funding, 25 states provide funding inside the state funding formula while 10 states provide funding outside of the state funding formula. Mr. Griffith also noted that funding outside of the formula is often distributed in the form of grants. Montana, for example, distributes its at-risk funding based on each school district's federal Title I student count. West Virginia distributes \$18 of at-risk funding for each student counted in net enrollment.

Additionally, Mr. Griffith stated that 24 out of the 25 states that provide funding for at-risk students inside their funding formulas, do so through an additional weight. Massachusetts was the only state that did not provide a weight, but rather distributed its at-risk funds on a per-student basis (\$2,702/elementary and \$3,341/secondary).

Mr. Griffith said he is not aware of research identifying whether it is better to distribute funding for individual student needs inside or outside of the funding formula. The main difference, he noted, was that funding inside the formula tends to be equalized so that the amount is based on the relative wealth of each school district. Mr. Griffith indicated that the trend has been for school districts to move funding based on student need from outside of the state funding formula (categorical) to inside the funding formula, thereby allowing school districts to determine how they will deliver the needed services.

Furthermore, Mr. Griffith suggested that policymakers should establish and implement guidelines for school districts to require some level of expenditure tracking and reporting to show that additional funding has been utilized to meet the needs of identified students.

At the April 21, 2014, meeting of the TAC, committee member Mike Schroeder presented his findings related to the advantages and disadvantages of placing at-risk funding inside (unrestricted) or outside (categorical) of the state's K-12 funding formula. Mr. Schroeder indicated that the advantages of funding outside the funding formula (categorical) include that the funds are earmarked and must be spent for the intended purpose, and it is relatively easy to add to existing legislation. With respect to the disadvantages of categorical funding, Mr. Schroeder reported that it lies outside of the basic support guarantee and therefore can be easily eliminated; inflexibility with how categorical funding can be used; categorical funds are generally not equalized and thus may have an adverse effect on the

overall equity of a state's funding allocation system; and, smaller districts with limited or no grant writing expertise or resources may have limited access to categorical funds that are awarded through competitive grant applications.

The following options are provided to the TAC for consideration in recommending whether funding for students at risk of low academic achievement should be inside or outside the state's K-12 funding formula including, but not limited to:

- a. Add weight(s) to the basic funding formula for students identified as at risk of low academic achievement via weighted enrollment.**
- b. Apply weight(s) to determine the amount of funding for students identified at risk of low academic achievement and allocate the funding as a categorical grant for targeted services or programs to meet the needs of these students.**

4. Students Who Qualify for Multiple Weight Categories

Summary of Issue: In counting students for the purpose of weighting, there will be some students who meet the eligibility requirements of more than one need category. In his presentation on at-risk funding to the Task Force at its February 28, 2014, meeting, Mr. Griffith stated that close to 90 percent of students that qualify as ELL also qualify as at-risk/low income. The issue at hand is whether the state should fund ELL students and students at risk of low academic achievement separately or together.

As reported by AIR, the most common circumstances might include students who are ELL, but who are also from low-income families. It has been AIR's experience that most states count the student in both categories. AIR further noted that students who meet the eligibility criteria of both categories generally have additional educational needs. Texas is an example of a state that provides weights for both poverty (20 percent) and ELL (10 percent) status.

In APA's 2006 study, the consultant stated that weighting students based on individual characteristics may result in multiple weights being associated with a single student. As a result, a very high weight would be derived, which would overstate the cost of services to be provided to the individual student. As such, APA suggested that one method to address this situation would be to apply the highest single weight to a student eligible for multiple weights.

Referring again to the report prepared by Dr. Rulffes and Jim McIntosh, and presented to the committee by Dr. Rulffes at the April 21, 2014, TAC meeting, similar support services to boost achievement are utilized in both programs for ELL and at-risk students. Dr. Rulffes and Mr. McIntosh recommend that if there are students that qualify for multiple weight categories, only the highest weight be applied. However, they also indicated that the committee may want to consider

some form of blending or averaging the two weights for students that qualify in both ELL and at-risk categories.

Alternatively, California's new Local Control Funding Formula provides only one weight of 20 percent for students who meet either ELL, or low-income eligibility. Under the LCFF, students who are both ELL and low-income are counted only once, (known as an unduplicated count). Louisiana is another state that allows only one weight of 22 percent for students that qualify for FRPL or are identified as ELL.

The following options are provided to the TAC for consideration in recommending weights for students who may be eligible for multiple weights (excluding students with disabilities) including, but not limited to:

- a. Apply a separate weight to students who qualify as both ELL and at risk of low academic achievement.**
- b. Apply the highest single weight to a student eligible for multiple weights.**
- c. Determine one weight to be applied to students that qualify in either ELL, at-risk or both categories.**

ATTACHMENTS (4)