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CARRIED OVER: Arkansas Students Are Left Behind When Schools Stockpile Poverty Money

By Kim Reeve

SUMMARY

At the end of the 2008-2009 academic year, Arkansas schools were sitting on more than \$25 million they were supposed to spend that year helping poor students catch up to their peers. They didn't spend it on after-school and preschool programs or other techniques proven by research to help raise the academic achievement of impoverished children. Instead, school administrators let it stockpile and then rolled it over to the next year—just like many have done every year since the state money started being distributed in 2004 to districts with high populations of poor children.

More than a fifth of all Arkansas school districts in 2009 carried over more than 20 percent of the money they received through the National School Lunch Act (NSLA) funding program. Much of the money sent to schools to help those specific children went unspent.

Only 31 of the 257 districts and charter schools spent all their NSLA money in the year it was intended. That's 12 percent of schools.

However, money that was spent often didn't pay for the most effective programs that help children succeed in school, move on to college and lift themselves out of poverty. Research by Arkansas Advocates for Children and Families shows that certain approaches are the best way to close the academic achievement gap between minority and poor students and their peers. They are:

- High-quality before- and after-school and summer programs.
- High-quality early childhood education.
- School initiatives that promote student health.

Just 12 percent of the \$157.8 million sent to Arkansas schools in 2008/2009 school year to help poor students was spent on these proven programs. That means thousands of children whose poverty status drew extra money to their district didn't benefit from it in the most effective way possible.

Arkansas leaders should stop school districts from carrying over large amounts of unspent poverty money. That money needs to help our children today.

INTRODUCTION

Arkansas has seen substantial budget cuts for Fiscal Year 2010. In the fall of 2009, Gov. Mike Beebe announced a \$100 million cut in spending when revenues came in lower than forecasted. Another \$106 million cut came in January 2010. Even with all of the uncertainty related to the budget, public education funds are immune from major cuts. Given the sacrifices that other government agencies make to protect education, it's especially important that education dollars are spent in an effective, focused way. These efforts need to help the state's most vulnerable students and close the academic achievement gap.

Although Arkansas has made progress in bolstering education in the past decade, it has a long way to go to close the academic achievement gap between low-income and minority students and their peers. A 2008 study found that minority and low-income students in Arkansas have lower rates of academic achievement than students whose families have higher incomes or are white. This study found that minority and low-income students often need to overcome barriers such as language and literacy development, low self confidence, health problems, poor nutrition and inadequate housing. Only a multi-pronged, comprehensive strategy that includes health agencies, local governments, universities and community groups—and that takes a holistic look at children and their environment—will succeed. Three of the most effective programs recommended are early childhood education, school-based health initiatives and before- and after-school and summer programs.¹

One key resource in the state's efforts to close the achievement gap is the part of state school funding formula known as National School Lunch Act (NSLA) funding, or "poverty funding." It is sent to school districts according to the percentage of low-income students they serve. Eligibility is based on the national school lunch standard. The poverty money is intended for programs and activities that will help these students succeed.

As the recession continues and the money available to schools continues to tighten, school districts across Arkansas should be making the best use of their existing dollars. NSLA funding can and should be spent on programs such as early childhood education, school-based health initiatives and before- and after-school and summer programs that have been proven to reduce the achievement gap.

NSLA FUNDING DISTRIBUTION AND USES

The state must provide adequate and equitable education for all students in the public school system. In order to do so, the school funding formula provides base funding for every student in the state, coupled with additional funding for each student who meets certain criteria. Each school district received a base per-pupil payment of \$5,789 in the 2009 fiscal year. Base funding was increased to \$5,905 per student in the 2010 fiscal year and will increase to \$6,203 in the 2011 fiscal year.

School districts receive additional money for specific purposes or for serving specific populations. This is called "categorical" funding, and NSLA money is an example. There are three levels of NSLA funding available to a school district depending on the percentage of poor students it serves. Those levels have not increased since 2009 (see table top of next page).²

Twenty-one school districts or charter schools have populations with 90 percent or more of their students eligible for free or reduced lunches. These schools receive the highest NSLA funding level per student. Fifty-five school districts have between 70 and 89 percent of their students eligible for free and reduced lunch and received the middle level of NSLA funding. The majority (181) of Arkansas school districts have 70 percent or less of their students meeting the eligibility requirements for the free or reduced lunch program.

NSLA funding is supposed to be used on programs that are proven by research to be successful, are aligned with the Arkansas Content Standards for improving instruction and that improve the achievement of students at risk of not meeting academic standards. This includes a variety of programs, including but not limited to:

- Research-based pre-kindergarten programs.
- Before- and after-school academic programs and summer programs.
- Employment of literacy, mathematics or science specialists.
- Professional development in areas of literacy, mathematics or science.³

Some of these categories include activities that have been proven to close the achievement gap for minority and poor students.

NSLA Funding Distribution

Percent of Students Receiving Free or Reduced Lunch	Funding Amount Per Student
90 percent or more	\$1,488
70 to 89 percent	\$992
70 percent or less	\$496

Source: http://www.arkansased.org/about/pdf/funding_formula_07-09.pdf.

The poverty money is intended for programs and activities that will help low-income students succeed.

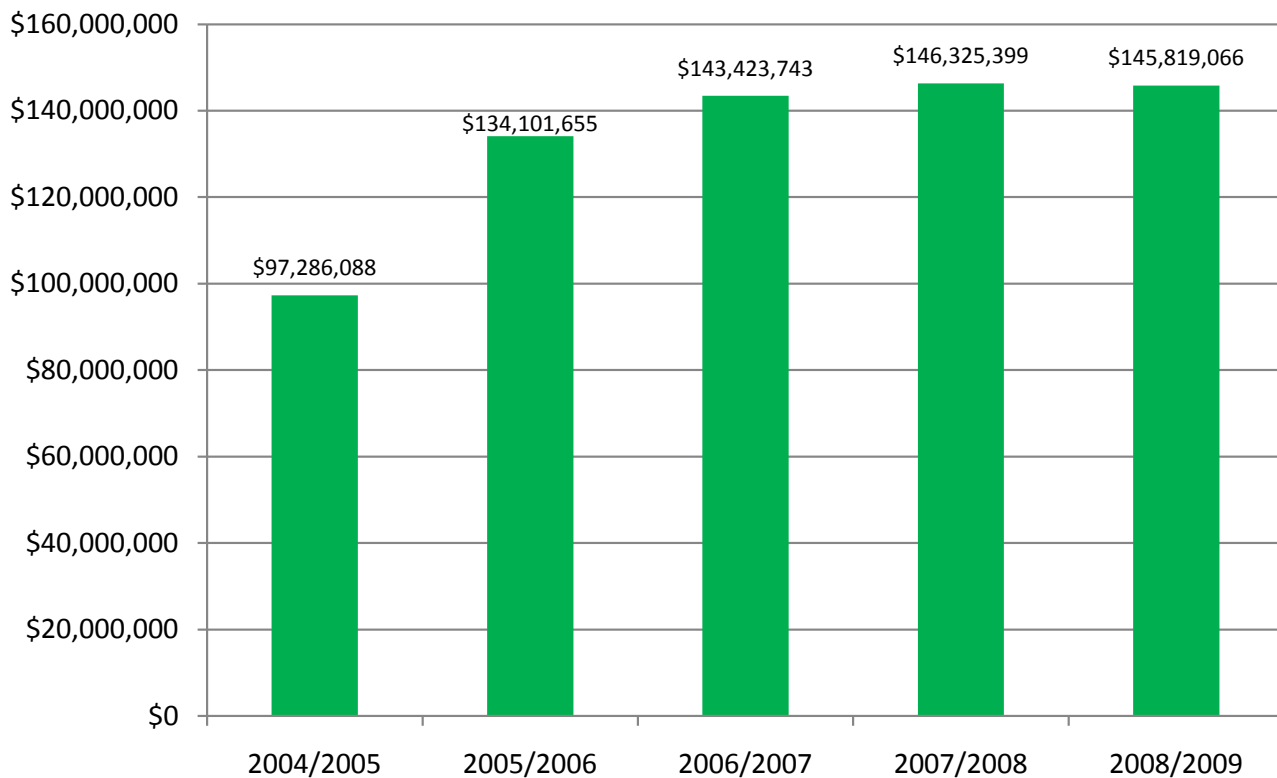
NSLA SPENDING TRENDS

The spending of NSLA money by Arkansas schools increased markedly between the 2004/2005 and 2006/2007 school years. Since then the amount spent has been stable.

District-level NSLA spending information is available through the Arkansas Department of Education at www.apscn.org or at Arkansas Advocates for Children and Families at www.aradvocates.org/k-12-education/.

NSLA funds have been spent on more than 200 categories of activities and purposes. Each category includes costs for personnel (salaries and benefits) and property and materials that are related to those specific activities.

Total NSLA Spending*



Source: AACF analysis of Arkansas Department of Education data.

*Includes NSLA dollars that were used for fund transfers and charter schools that received and spent NSLA dollars.

Top 10 NSLA Expenditure Categories in 2008/2009

Expenditure Category	Total Category Funding (Statewide)	Percent of Total Funding
Elementary	\$18,751,455	12%
Fund Transfers	\$13,882,184	9%
Literacy Coaches	\$10,851,128	7%
Instruction-Related Technology	\$10,072,970	6%
High School	\$9,099,126	6%
Nursing	\$7,403,135	5%
Math/Science/Reading Specialists	\$7,213,903	5%
Middle/Junior High	\$7,104,148	5%
Instruct. and Curric. Development, incl. Curric. Specialist	\$5,415,125	3%
Improvement of Instructional Services	\$5,382,736	3%

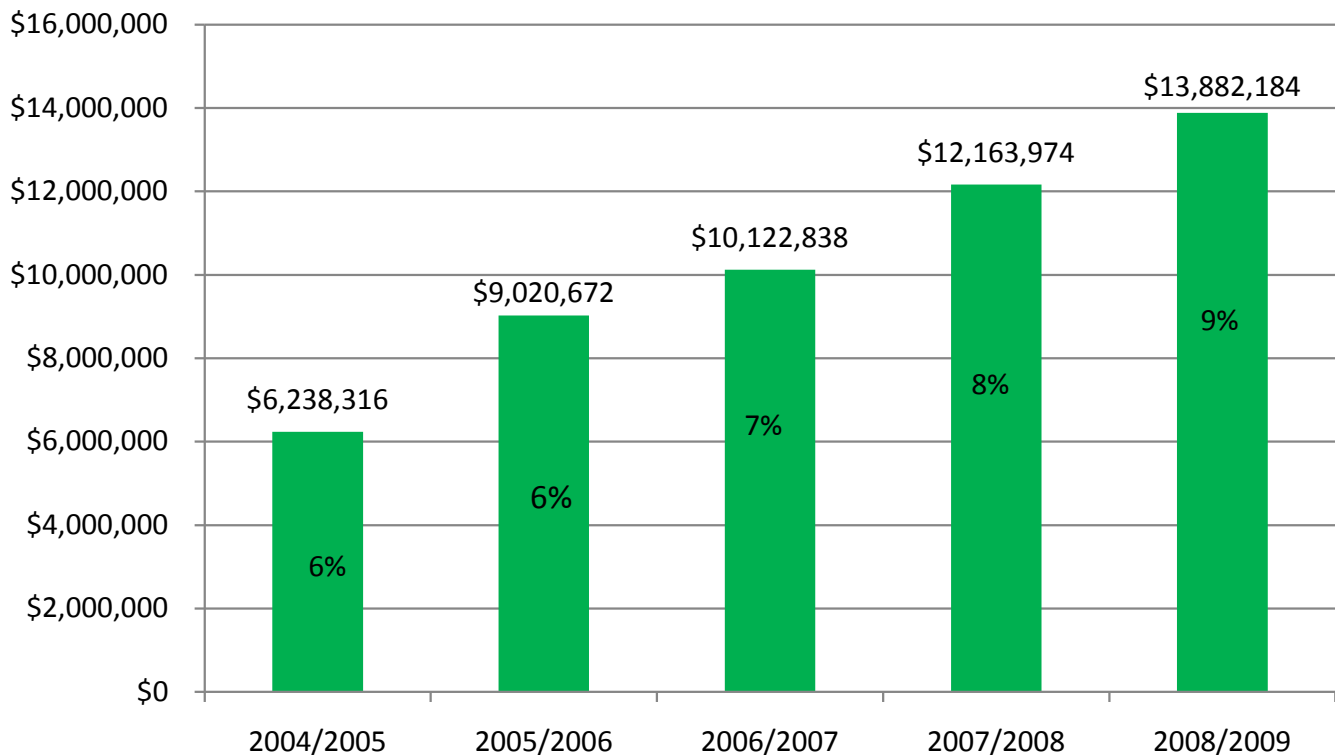
Source: AACF analysis of Arkansas Department of Education data.

Even though these categories may not be defined exactly the same as the research-based recommendations seen in studies about the achievement gap, many of these strategies are necessary for providing additional opportunities for students who face difficulties in school. Nursing is a school-based health activity that has made it into the top ten expenditure categories for NSLA

money. Before- and after-school and summer programs are ranked as the sixteenth most common use of NSLA money. Summer school spending is nineteenth. Early childhood education is not ranked in the top 25.

Fund transfers were the second most common category for NSLA spending in 2008/2009. The use of fund transfers has increased over the past five years.

NSLA Fund Transfers



Source: AACF analysis of Arkansas Department of Education data.

NSLA dollars can only be transferred to other categorical funds. These funds include Alternative Learning Environments (ALE), English Language Learners (ELL) and professional development. ALE dollars are used for student intervention programs that seek to eliminate traditional barriers to student learning. ELL money is used to help students who are identified through the English proficiency assessment as not proficient. Professional development funds are spent on programs designed as a coordinated set of planned learning activities that are based on research and should result in all students demonstrating proficiency in state academic standards.⁴ Even though we know that NSLA dollars are transferred to other categorical funds, we do not know how the transferred dollars are spent.

Arkansas school districts may carry forward unspent NSLA money at the end of the year. However, it must be spent on NSLA activities if it is not used during the year in which it was originally allocated.⁵

The total amount of NSLA funding that was carried forward has decreased since the 2004/2005 school year. In 2004/2005, approximately \$41 million NSLA dollars were carried forward by school districts statewide. In 2008/2009 the unspent amount has decreased to nearly \$25.1 million.

There is wisdom in building savings in the current economic environment. Lawmakers haven't been able to increase the per-pupil spending amount as much as is needed, and saving some extra money for the future isn't a bad idea on the part of districts. Some districts carry money over because they didn't have programs set up that NSLA money could be spent on. It can take some time to organize those programs and hire staff.

However, schools that don't spend more than 20 to 30 percent of NSLA dollars aren't looking after their most vulnerable students. The vast majority of school

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districts are sitting on at least some of the money. A handful roll over all of it, leaving behind the students for whom it was intended that year.

Nine school districts and charter schools carried over more than 50 percent of their NSLA money—four of those with 100 percent.

Three-fourths of Arkansas school districts and charter schools carried over between 1 percent and 50 percent of their NSLA money. Only 31 of the 257 districts and charter schools spent all their NSLA money in the year it was intended.

That's 12 percent of schools.

The table on the next page shows the ten school districts with the greatest amount of NSLA funding carried forward from the 2008/2009 school year. The table also shows the percent of students in these school districts who are eligible for free or reduced lunches, the percent of students who are non-white and the percent of fifth graders who are not proficient in literacy. The academic success of a student is determined by their scores on state benchmark tests. Fifth grade literacy is one of many potential achievement gap indicators.

Number of School Districts by Percent of NSLA Dollars Carried Forward

Carry Forward	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
0%	42	46	31	17	42
0% to 20%	97	131	155	183	161
20% to 50%	86	65	51	39	45
50% to 70%	24	10	12	4	5
70% to 99%	11	6	3	1	0
100%	0	2	2	0	4

Source: AACF analysis of Arkansas Department of Education data.

School Districts with the Highest Percent of Carried Forward NSLA Funds

School District	Percent of Funding Carried Forward	Percent of Students Eligible for Free and Reduced Lunch	Percent Non-White Students*	Percent of Grade 5 Students with Below Basic or Basic proficiency in Reading
Lakeside	62%	39%	19%	16%
Riverside	62%	59%	4%	18%
Magnet Cove	57%	47%	4%	20%
Palestine-Wheatley	52%	82%	26%	46%
McCrary	51%	60%	17%	26%
Barton-Lexa	47%	66%	37%	18%
Springhill	46%	50%	6%	0%
Dollarway	45%	93%	93%	61%
Imboden Charter	37%	79%	6%	36%
McGehee	37%	75%	3%	24%

Source: AACF analysis of Arkansas Department of Education data.

*Non-white students includes Black, Hispanic, two or more races, Asian, Native American/Alaskan Native and Native Hawaiian/Pacific Islander.

** Table doesn't include the following schools, which carried forward money but were new and didn't have test score data from previous years: Covenant Keepers Charter School (100 percent), Hope Academy (100 percent), Osceola Communication, Arts and Business School Charter (100 percent), School of Excellence Charter (100 percent), and KIPP Delta Preparatory School (47 percent).

The school districts that carried forward the most NSLA funding from the 2008/2009 school year have a range of students who are eligible for the free and reduced lunch program—but they all but one had more than 50 percent of their students in this category. They also range widely in the number of non-white students., from 3 percent to 93 percent. Seven of the school districts listed above have at least 20 percent of their students that are less than proficient in literacy at the fifth grade level.

The 2009 Arkansas General Assembly considered but didn't pass Senate Bill 987, which would have placed a limit on how much categorical funding (including NSLA) could be carried forward. Under the bill, a school district would not be able to carry forward more than 20 percent of its categorical funds from the previous year without written approval from the Commissioner of Education. This law would have made sure that NSLA dollars were being spent. The bill was passed in the Senate but did not make it out of the House Education Committee before the session ended.⁶

In the last four years, at least three school districts have carried forward 100 percent of their NSLA funds. That means they are not addressing the needs of their students with money specifically intended to close the academic achievement gap.

PROGRAMS THAT ADDRESS THE ACHIEVEMENT GAP

There are a number of research-based programs that can help narrow the gap between students of different racial and socioeconomic backgrounds. However, this analysis focuses on three that research shows to be the most effective: early childhood education, school-based health and before- and after-school and summer programs. All of these programs can receive NSLA funding in Arkansas.

EARLY CHILDHOOD EDUCATION

Few educational programs have been proven to be as effective as high-quality early childhood education. In schools, pre-k increases high school graduation rates, helps children do better on standardized tests, reduced grade repetition, and reduces the number of children placed in special education.

As teens and adults, children who've had high-quality pre-k experience lower crime and delinquency, lower rates of teen pregnancy, greater employment and higher wages and more stable families. And the benefits extend to the whole community: Every dollar invested in high-quality pre-k saves taxpayers up to \$7 in cost of remediation, health problems, criminal justice services and other programs.⁷

In Arkansas, high-quality pre-k comes in the form of the federal Head Start program and the state Arkansas Better Chance Program, one of the best pre-k programs in the country according to the National Institute on Early Education Research's, *The State of Preschool 2009*.

ABC in 2009 served 25,096 children ages birth to 5 with a variety of risk factors. In addition, the Arkansas Better Chance for School Success (ABCSS) targets 3- and 4-year-olds who live in families with incomes below 200 percent of the federal poverty level (\$44,100 for a family of four) and who live in school districts that are in school improvement status or in which at least 75 percent of children perform poorly on state benchmark exams in math and literacy.

In the fall of 2005, an average of 24 percent of ABC children demonstrated proficiency across seven areas of development. By the next spring, after only one year of pre-k, that number had increased to 82.2 percent. Developmental gains have been recorded every year (2004-2008) in every developmental domain, with the greatest increases in mathematical thinking and scientific thinking. The National Institute for Early Education Research conducted a study in 1997 using a rigorous research design to estimate the effects of ABC on entering kindergarteners' academic skills. The ABC Program had statistically significant and meaningful impacts on the early language, literacy and mathematical development of the 4-year-old children participating in the program.⁸

In 2007, the Arkansas General Assembly increased ABC support by \$39.8 million for a total budget in the 2008 fiscal year of \$111 million. This level of funding allows the program to serve all 3- and 4-year-old children in families earning up to 200 percent of the federal

poverty level.

Together, the state-funded ABC the federally funded Head Start program serve about 65 percent of the nearly 48,000 3- and 4-year-old children below 200 percent of the poverty line. About 84 percent of 4-year-olds below 200 percent of poverty are in ABC or Head Start, compared to only 45 percent of 3-year-olds. Access to quality early childhood education for infants and toddlers is rare. ABC serves fewer than 200 infants and toddlers statewide, while Early Head Start serves fewer than 1,500 children. These unmet needs are due to lack of funding. There is simply not enough support to serve all eligible 3- and 4-year-old children, much less children living in families with income above 200 percent of poverty but who are unable to afford private preschools.

Fifty-five Arkansas school districts used at least some NSLA money in 2008-2009 to support early childhood education programs for impoverished children. A few of those took advantage of the NSLA money to make significant investments in early childhood education programs. Calico Rock School District spent 35 percent of its NSLA spending on pre-k, Greene County Tech School District spent 45 percent, and Brookland School District spent 30 percent.

Sadly, the vast majority of Arkansas school districts aren't investing NSLA dollars in these research-based programs, despite having the money at their fingertips.

Early childhood education programs that can be supported by NSLA funding include specialized activities for young children as well as for kindergarteners and first graders who did not have access to early childhood educational opportunities.⁹

Statewide NSLA Spending for Early Childhood Education Programs

Expenditure Category	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Preschool	\$4,040,654	\$3,780,240	\$3,527,590	\$3,538,453	\$3,519,078
Pre-K Director	\$70,096	\$555,115	\$704,073	\$860,517	\$397,367
Early Childhood Education	\$842,465	\$407,816	\$541,775	\$738,464	\$460,202
Kindergarten Early Childhood Education	\$0	\$0	\$57,778	\$90,610	\$97,448
1st Grade Early Childhood Education	\$0	\$0	\$4,138	\$0	\$0
Preschool - Special Needs	\$45,037	\$3,797	\$52	\$0	\$0
Total Expenditures	\$4,998,253	\$4,746,968	\$4,835,405	\$5,228,043	\$4,474,095

Source: AACF analysis of Arkansas Department of Education data.

SCHOOL-BASED HEALTH

Coordinated School Health (CSH) programs look different in each district because they are community-based model. At a minimum, schools need a dedicated coordinator to create partnerships within the schools and with community organizations and medical providers. The partners work on community-driven solutions that address the most pressing student health needs. At the other end of the spectrum, with more dedicated resources, CSH may include a school wellness center, offering health services and wellness promotion on campus. CSH schools fall anywhere along this spectrum. There are overall best practices for administering each component, but school districts and communities choose and develop programs that best fit the needs of their students. However, the effectiveness of the model depends on the leadership and the extent to which each school addresses the required components.

Thirty-one school districts have at least one school

participating in the Coordinated School Health initiative. Most schools were originally funded in 2006-2007 through the Arkansas Departments of Health and Education with federal support from the Centers for Disease Control. Now only 20 districts still receive funding; other districts have chosen to participate with their own resources. The 20 currently funded schools receive \$50,000 annually through state tobacco prevention dollars. In 2010, nine existing CSH districts will be selected to receive \$175,000 annually over five years to create school wellness centers. Wellness centers are funded by the tobacco tax increase passed in the 2009 legislative session.

We identified 9 categories of spending on school-based health programs. They include activities addressing student health and are not related classroom instruction.¹⁰ Spending on school-based health decreased from a high of \$8.8 million during the 2007/2008 school year to only \$7.5 million, or about 5.1 percent of total expenditures, in 2008/2009.

Statewide NSLA Spending for School Based Health Programs

Expenditure Category	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Nursing	\$1,933,488	\$4,750,606	\$5,307,771	\$8,501,869	\$7,403,135
Health Services	\$1,117,657	\$914,083	\$90,937	\$206,160	\$114,035
Other Health Services	\$0	\$41,093	\$43,591	\$28,230	\$11,511
Supervision of Health Services	\$3,923	\$10,420	\$76,970	\$67,196	\$3,728
Health	\$620	\$632	\$0	\$0	\$0
Medical	\$23,766	\$11,018	\$0	\$0	\$0
Psychological Counseling	\$0	\$0	\$0	\$3,000	\$0
Psychological Services	\$56,642	\$57,400	\$0	\$29,018	\$0
Psychological Testing	\$0	\$1,266	\$0	\$0	\$0
Total Expenditures	\$3,136,096	\$5,786,518	\$5,519,269	\$8,835,474	\$7,532,408

Source: AACF analysis of Arkansas Department of Education data.

BEFORE- AND AFTER-SCHOOL AND SUMMER PROGRAMS

High quality after-school and summer programs have a wide range of educational goals and proven outcomes that close the education achievement gap. They inspire children to learn, keep them safe and support working families. A quality out-of-school program could include stimulating activities such as art and music, the outdoors, physical activities, mentally challenging games and interactions with a variety of people and places that contribute to learning. These experiences inspire children to learn, enhance their social skills, and help them overcome new challenges so they can capture all the possibilities that await. This happens both inside and outside the classroom. Students who've participated show higher daily attendance and course credit accumulation, better homework completion, reduced discipline problems and higher aspirations to finish school and go to college. Low-income, ethnically-diverse elementary and middle school students also show significant gains in standardized test scores and better work habits.

Recent surveys conducted in Arkansas by the Wallace Foundation and JC Penny Afterschool Fund provide a good estimate of the supply and demand for after-school and summer programs.

Among the findings: 12 percent (59,837) of Arkansas' K-12 youth participated in after-school programs. Forty-four percent (187,722 children) of all Arkansas children not in after-school programs would likely participate if one were available in the community, regardless of their current care arrangement.¹¹

Another survey determined that only 17 percent of children (82,701) in Arkansas participated in a summer learning program. Yet 58 percent of parents (with 233,509 children) were interested in enrolling their children in such programs.¹²

A 2008 survey conducted by the Arkansas Out of School Network found that 80 percent of the 65 after-school providers surveyed received more than two sources of support for program operating expenses. Seventy-five percent received some federal funding from 21CCLC, CCDBG, AmeriCorps, nutrition programs or the Department of Agriculture. Only 20 percent of the programs received funds from other federal education-re-

lated sources such as Title I, Safe and Drug Free Schools, LEAs or the Rural Achievement program. One-third of the programs received state funds from the school funding formula or poverty funds. Local tax revenues or local parks and recreation funds were used by 21 percent of surveyed programs.

The federal government is the largest source of money for after-school and summer programs in Arkansas. NSLA is the largest allocation of state general revenue that can be used for after-school and summer programs. Of the \$160 million in NSLA funds in academic year 2008/2009, \$6.5 million (four percent) were directed to out-of-school programs for school age children.¹³

The Arkansas Department of Education got \$12.6 million in federal funds during the 2010/2011 school year for grants of \$100,000 to \$150,000 each for 21st Century Learning Centers (21CCLC) across the state.

This is the only federal program dedicated to after-school and summer programs.¹⁴ More than 12,000 Arkansas students participated in these programs this year.

The Child Care Development Fund (CCDF) allows licensed child care providers to be paid through a voucher or subsidy system for eligible children in their care. The funds also support initiatives to support and expand quality programs for children. Between February 2007 and January 2008, nearly \$15.4 million (28 percent) of CCDF vouchers were spent on school-age children.

NSLA spending categories related to out-of-school programs are different from other programs AACF has identified as helping to narrow the achievement gap. For the categories on the next page, before- and after-school and summer programs are focused on students who need additional instruction on topics such as literacy, math, science and language arts in order to reach proficiency.¹⁵

Only 17 percent of children in Arkansas participated in a summer learning program. Yet 58 percent of parents were interested in enrolling their children in such programs, according to a survey.

Statewide NSLA Spending in Before/After School and Summer Programs

Expenditure Category	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009
Before/After School Programs	\$2,195,188	\$2,255,263	\$2,298,219	\$3,021,017	\$3,514,298
Summer School	\$63,147	\$18,532	\$0	\$2,259,285	\$2,842,474
K-3 Summer Remediation	\$150,492	\$114,526	\$162,600	\$164,676	\$101,044
Title I Summer School	\$31,863	\$127,010	\$529,361	\$0	\$287
Total	\$2,440,690	\$2,515,331	\$2,990,180	\$5,444,978	\$6,458,103

Source: AACF analysis of Arkansas Department of Education data.

OVERALL SCHOOL DISTRICT SPENDING ON ACHIEVEMENT GAP STRATEGIES

More than a quarter of the 257 Arkansas school districts and charter schools didn't spend a penny of their NSLA money on programs proven by research to reduce the achievement gap. Another 65 percent spent less than 20 percent of their NSLA funds on those programs. The final 8 percent spent more than a fifth of their NSLA money on anti-achievement gap programs, with only two of those spending more than half of their NSLA funds on AACF-recommended programs.

Those stand-out schools are the KIPP Delta College Preparatory School, which spent 85 percent of its NSLA money on after-school programs, and the Greene County Tech School District in Paragould, which spent 45 percent of its NSLA funding on early childhood education and health programs and 22 percent on health programs.

The following table shows the 10 school districts with the highest percentages of fifth grade students scoring below proficient in literacy on state benchmark exams and where their NSLA money went.

Seven of the schools above spent ten percent or less of their NSLA funding on AACF's recommended programs for closing the achievement gap. All of these schools had more than 75 percent of their student populations eligible for the free or reduced lunch program. Eight of these school districts had a large non-white student population.

More than a quarter of the 257 Arkansas school districts and charter schools didn't spend a penny of their NSLA money on programs proven by research to reduce the achievement gap.

School Districts with the Highest Level of Non-Proficient Students in Literacy, Grade 5

School District	Percent of Students Eligible for Free/Reduced Lunches	Percent of Non-White Students	Percent of Students Scoring Not Proficient	Total Spending on Achievement Gap Strategies	Pct of Total Spending on Achievement Gap Strategies
Dreamland Academy	91%	96%	79%	\$0	0%
Dermott	100%	93%	65%	\$37,841	5%
Lee County	100%	95%	65%	\$94,480	5%
Dollarway	93%	93%	61%	\$190,271	10%
Twin Rivers	78%	2%	59%	\$10,206	2%
Osceola	100%	81%	58%	\$141,298	11%
Forrest City	100%	82%	57%	\$385,103	13%
Strong-Huttig	76%	61%	57%	\$48,142	13%
Pine Bluff	76%	98%	53%	\$802,371	21%
Westside	100%	8%	52%	\$0	0%

Source: AACF analysis of data provided by the Arkansas Department of Education.

**Non-white students includes Black, Hispanic, 2 or more races, Asian, Native American/Alaskan Native and Native Hawaiian/Pacific Islander.

CONCLUSION

Detailed NSLA spending information is easier to get thanks to Act 1369 of 2009. Under this legislation, the Arkansas Department of Education will report to the Arkansas House and Senate committees on education on the impact that NSLA funds have had on the achievement gap. The report will include information on how school districts are spending NSLA dollars; the amount of NSLA dollars transferred to other categorical funds; and analysis of student achievement data related to narrowing the achievement gap.¹⁶

Even with this required report, very little is known about the impact NSLA spending has had on individual students and the achievement gap. A 2006 report on restructuring the Arkansas school funding formula

recommended that districts be required to track students in NSLA-funded programs. This tracking would allow educators and schools statewide to understand which programs have the greatest impact on students. Unfortunately, this recommendation has yet to be implemented so we do not have a clear idea of how NSLA expenditures are influencing the achievement gap.¹⁷

NSLA funding is designed to target minority and low-income students who are more likely to fall behind their peers. Especially during the recession, Arkansas school districts should be maximizing their NSLA dollars by spending them on programs that have been proven to close the achievement gap.

ENDNOTES

¹ Barth, Jay and Keith A. Nitta. "Education in the Post-Lake View Era: What is Arkansas Doing to Close the Achievement Gap?" <http://www.aradvocates.org/assets/PDFs/2008EducationAchievementGap.pdf>.

² "How are School Districts in Arkansas Funded?" http://www.arkansased.org/about/pdf/funding_formula_07-09.pdf.

³ Arkansas Department of Education, "Rules Governing the Distribution of Student Special Needs Funding and the Determination of Allowable Expenditures of These Funds." http://www.sosweb.state.ar.us/elections/elections-pdf/register/sept_05/005.04.05-001.pdf.

⁴ Ibid.

⁵ Ibid.

⁶ SB 987 of 2009: "An act to place limits on the amount and duration of categorical funds; and other purposes."

⁷ Pre-K Now: <http://www.preknow.org/advocate/factsheets/benefits.cfm>

⁸ NIEER: <http://nieer.org/docs/?DocID=158>

⁹ "State of Arkansas Financial Accounting Handbook for Arkansas Public Schools, Arkansas Educational Services Cooperatives and Open Enrollment Public Charter Schools." <http://www.aspcn.org>.

¹⁰ Ibid.

¹¹ In Arkansas, 505 households were surveyed for this study. Among those households, 50 percent qualified for free or reduced price lunch, 2 percent were Hispanic and 17 percent were African American. According to U.S. Department of Education data from 2005-2006, the total school enrollment in Arkansas is 486,478, which is the foundation for all statewide projections in Arkansas. After 3PM was sponsored by the JC Penney Afterschool Fund. Between March and May 2009, parents/guardians responded to survey questions about their after school child care arrangements during the 2008-2009 school year. RTi, a market research firm, conducted the survey and analyzed the data for the Afterschool Alliance. Additional information from America After 3PM is available at www.afterschoolalliance.org.

¹² America After 3PM: Special Report on Summer:Kely Findings.www.afterschoolalliance.org

¹³ AACF analysis of data from the Arkansas Department of Education. <http://www.aspcn.org/reports/caja/cycle/cycle.htm>

¹⁴ http://www.afterschoolalliance.org/states/states_facts.cfm?state_abbrev=AR#facts.

¹⁵ "State of Arkansas Financial Accounting Handbook for Arkansas Public Schools, Arkansas Educational Services Cooperatives and Open Enrollment Public Charter Schools." <http://www.aspcn.org>.

¹⁶ Act 1369 of the Regular Session, "An act to require the Department of Education to provide a detailed report of national school lunch student categorical fund expenditures and results from programs funded by national school lunch student categorical funds, and for other purposes."

¹⁷ Arkansas Bureau of Legislative Research, "National School Lunch Act (NSLA) Categorical Funding for Arkansas Districts and Schools."



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