

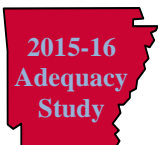


## Research Report

# National School Lunch State Categorical Funding and Expenditures

September 15, 2015

Prepared for  
THE HOUSE INTERIM COMMITTEE ON EDUCATION  
AND THE SENATE INTERIM COMMITTEE ON EDUCATION



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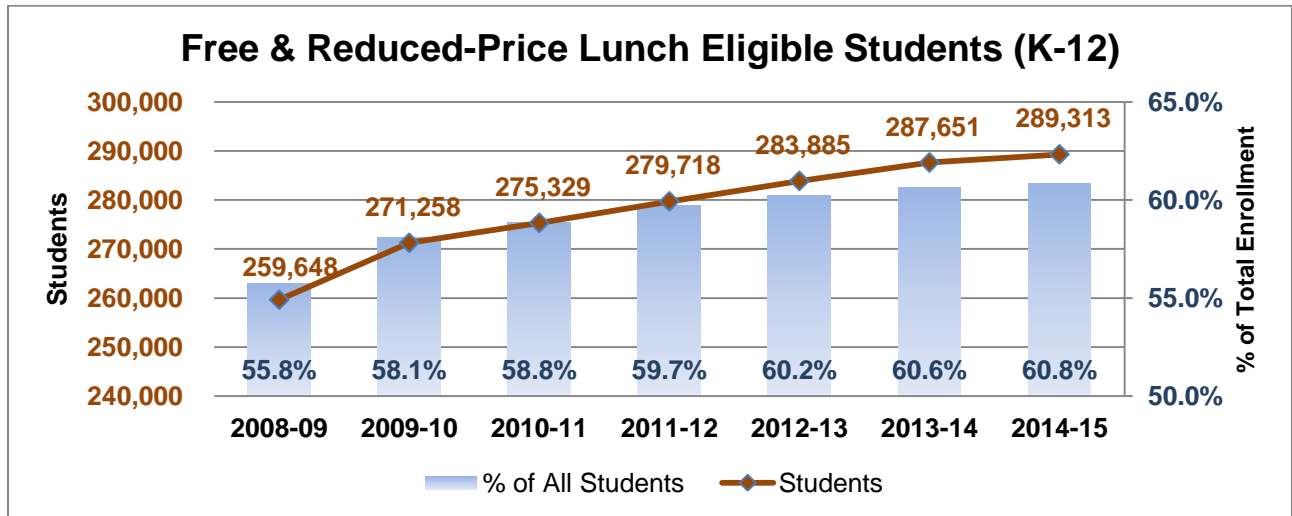
## Background

Arkansas statute §10-3-2102 requires the House and Senate Committees on Education to evaluate the cost of providing an adequate education. As one part of that responsibility, the law requires the Committees to review the expenditures from National School Lunch (NSL) state categorical funding. NSL funding is state money distributed to school districts based on the concentrations of poverty in their student populations. This document provides information on the NSL funding provided to districts, districts' use of this funding, the number of low-income students in Arkansas, and the performance of these students on state and national tests.

The NSL state poverty funding program should not be confused with the federal school lunch program. The state funding is called NSL funding because eligibility for the federal National School Lunch Act program is used as the measure of poverty. According to the federal program rules, children from families with incomes below 130 percent of the poverty level are eligible for free meals, and those with incomes between 130 percent and 185 percent of the poverty level are eligible for reduced-price meals.

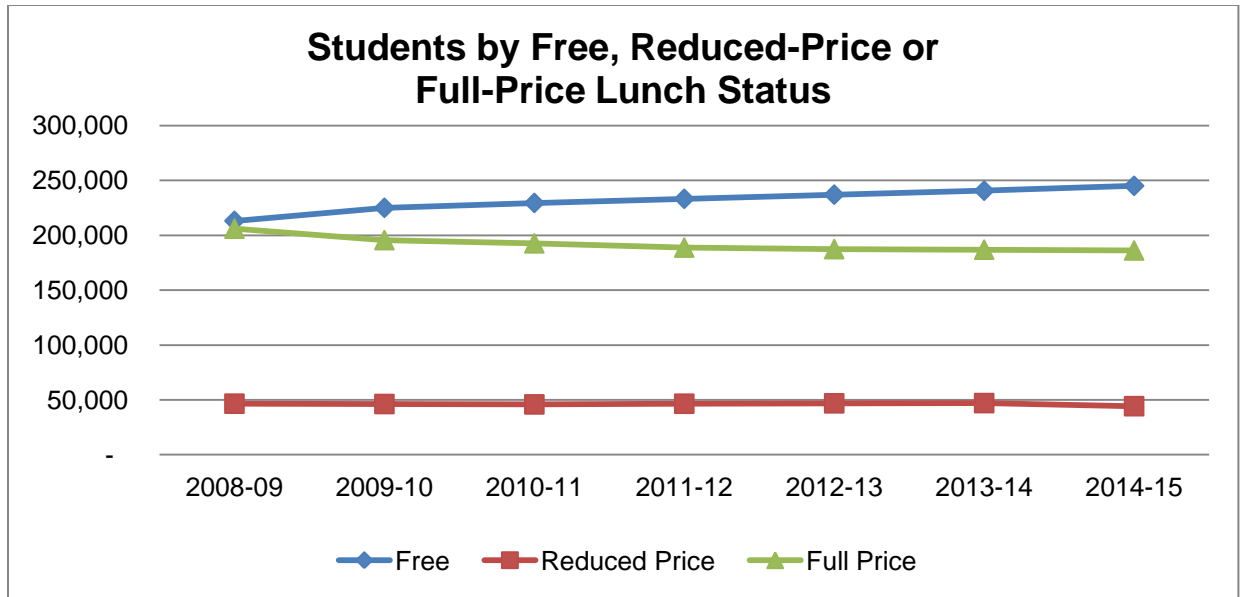
## Student Count

Nearly 290,000 of the roughly 475,000 students enrolled in the state's school districts and open-enrollment charter schools, or about 61%, are eligible for free or reduced price lunch. The following chart indicates that both the number and the percentage of NSL students, has been increasing annually over the last six years.



Source: Arkansas Department of Education, Annual Oct. Enrollment Data. Data does not include Arkansas School for the Blind, Arkansas School for the Deaf or Arkansas Division of Youth Services.

In 2014-15, about 51.5% of all students were eligible for free lunches, while 9.3% were eligible for reduced-price lunches. About 39% of students were ineligible for free or reduced-price lunches. Over the last six years, the number of free lunch students has been increasing, while the number of students who are not eligible for either free or reduced-price lunches (shown on the following chart as "Full Price") is decreasing.



Source: Arkansas Department of Education, Annual Oct. Enrollment Data. Data does not include Arkansas School for the Blind, Arkansas School for the Deaf or Arkansas Division of Youth Services.

## NSL Funding Background

The Arkansas General Assembly introduced NSL state categorical funding during the Second Extraordinary Session of 2003, with the first appropriation for the 2004-05 school year. The new funding was based on recommendations made by Lawrence O. Picus and Associates, the education finance consulting firm the General Assembly hired in 2003 to help devise a new funding formula for the state’s education system. The consultants made recommendations in 2003<sup>1</sup> and again in 2006,<sup>2</sup> when the state rehired them to recalibrate the funding formula.

Picus and Associates argued that districts with high concentrations of poverty need additional resources and, in both 2003 and 2006, they recommended the state provide additional funding for two purposes: teacher tutors and pupil support personnel. In 2003, Picus and Associates noted that, for struggling students, “the most powerful and effective strategy is individual one-to-one tutoring provided by licensed teachers” (p. 25). The consultants recommended that Arkansas fund one fully licensed teacher tutor for every 100 NSL students, with a minimum of one for every school. They also suggested the state fund extended-day and summer-school programs as secondary measures if the state found its tutoring strategy was not fully sufficient. Picus and Associates also noted that schools need a strategy for student support and family outreach, and that strategy should be based on each district’s level of poverty. The general standard, they said, is one licensed professional for every 20-25% of the student body that is low income. In total, the consultants recommended two full-time employee (FTE) positions for every 100 NSL students—one teacher tutor and one pupil support services FTE.

The Legislature then enacted Act 59 of the Second Extraordinary Session of 2003, which turned the staffing level into a dollar amount for each NSL student that essentially funded 1 FTE position for districts with NSL concentrations below 70%, two for districts with NSL concentrations between 70% and less than 90% and three positions for districts with NSL concentrations at 90% and above. Since then, the General Assembly has increased the three per-student rates five times.

<sup>1</sup> Lawrence O. Picus and Associates, An Evidenced-Based Approach to School Finance Adequacy in Arkansas, Final Report, September 1, 2003.

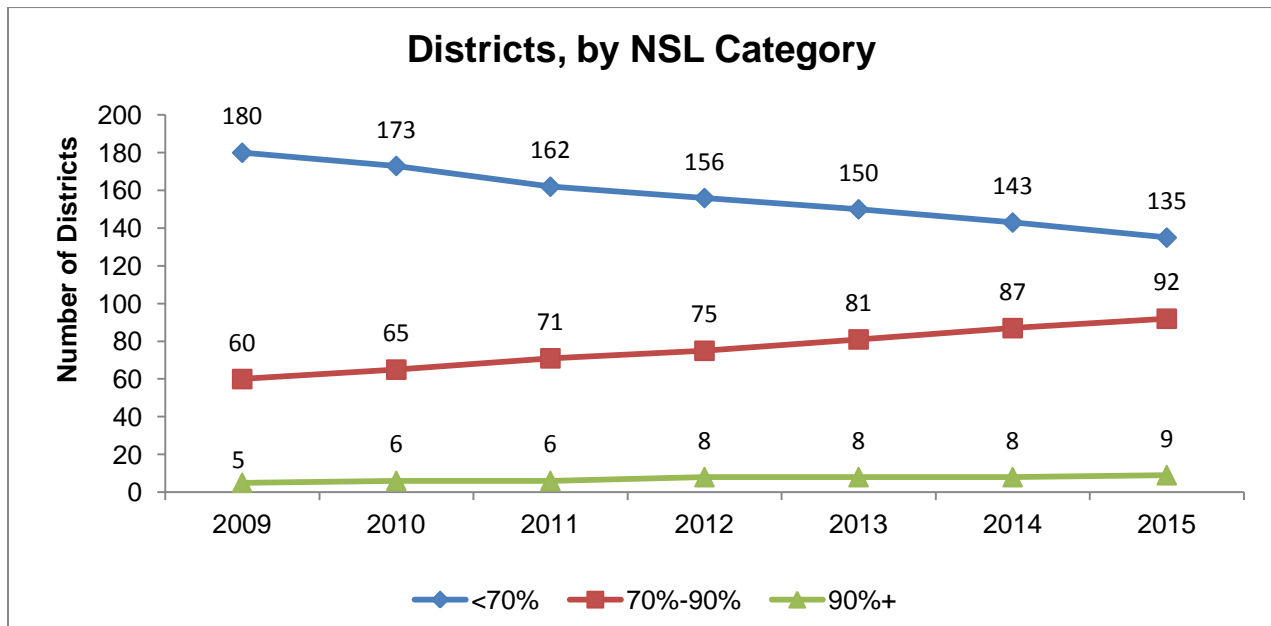
<sup>2</sup> Lawrence O. Picus and Associates, Recalibrating the Arkansas School Funding Structure, Final Report, August 30, 2006.

## NSL Funding Trends

Under the state NSL categorical funding program, districts receive one of three funding rates for each student eligible for a free or reduced-price lunch. The funding rates for 2014 through 2017 are provided in the table below. Each district's funding rate is based on the district's percentage of students eligible for the free or reduced-price lunch program in the previous year. For example, if a 1,000-student district had 800 students eligible for free or reduced-price lunches (80%) in 2014, the district would receive \$1,033 for each of those 800 students in 2015, or \$826,400.

% NSL Students	FY14	FY15	FY16	FY17
< 70%	\$517	\$517	\$522	\$526
70% - 90%	\$1,033	\$1,033	\$1,042	\$1,051
90% >	\$1,549	\$1,549	\$1,562	\$1,576

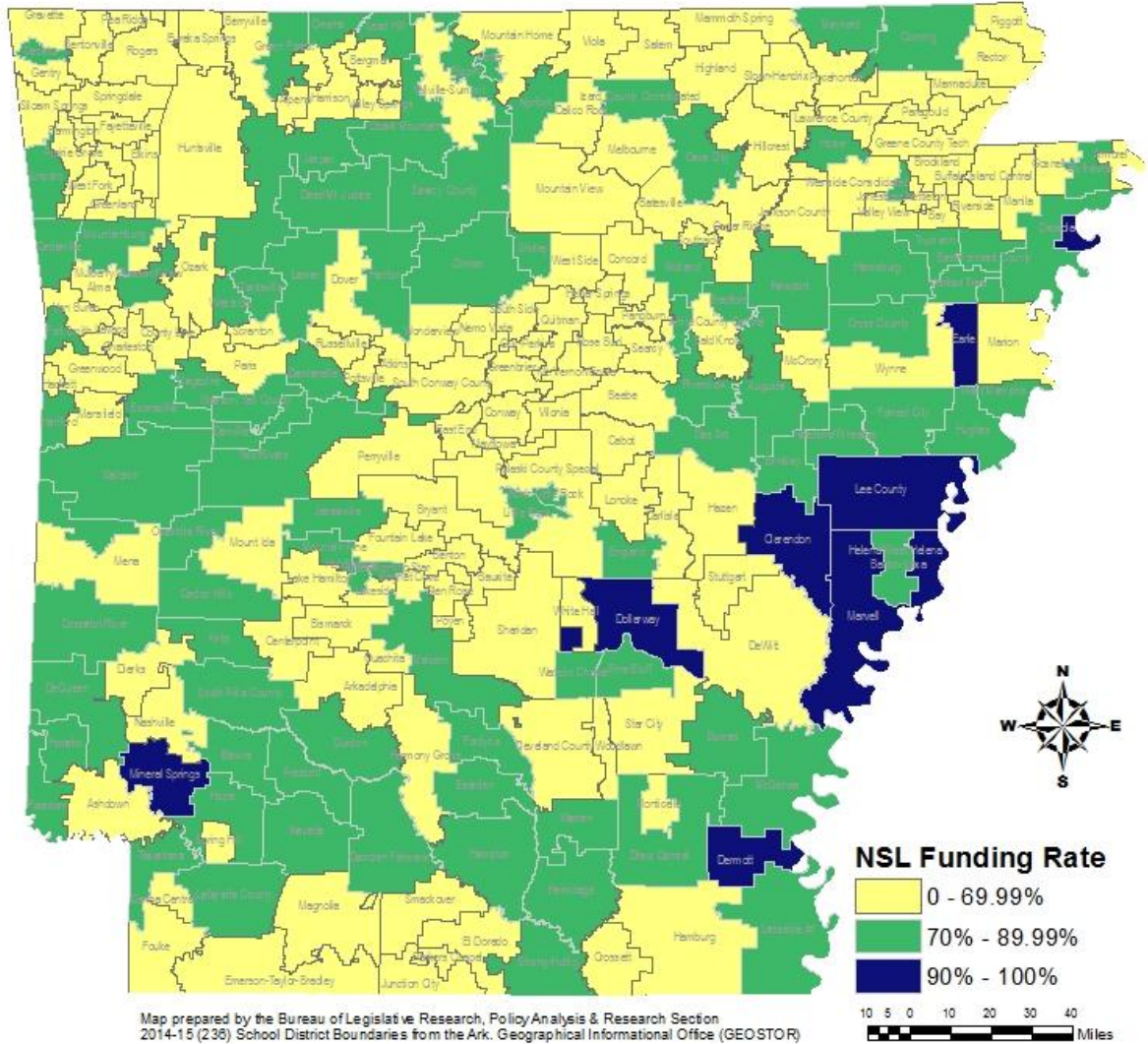
In 2014-15, about 57% of the districts fell into the lowest NSL funding rate (<70%), while 39% were in the middle rate (70%-<90%) and just nine districts (4%) were in the highest funding rate (90%+). The number of districts in the lowest funding rate has decreased in recent years, while those in the middle rate has increased.



Source: Arkansas Department of Education, State Aid Notice. The data represent the funding rates that districts received each year based on prior year enrollment counts. For example, 2015 represents the enrollment data collected in Oct. 2013 of the 2013-14 school year and used to calculate NSL funding distribution for the 2014-15 school year.

The districts with the highest concentrations of NSL students are primarily located along the eastern edge of the state, as indicated by the following map. Districts with mid-level concentrations of poverty are scattered across the state.

### NSL Funding Rates by District, 2014-15





## Other Types of NSL Funding and Funding Adjustments

In addition to the regular NSL funding, there are two other related state funding programs: NSL growth funding and NSL transitional adjustments.

### NSL Transitional Adjustments

Districts with NSL percentages that are close to the funding rate break points (for example, 69%-70% and 89%-90%) can easily shift between rates from one year to the next, resulting in significant gains or losses. To ease the transition from one rate to another, Act 811 of 2007 created a provision that allows districts moving from a higher or lower funding rate to receive adjustments over a three-year period. This ensures that districts shift to a higher or lower rate gradually, rather than all at once.

Shifting to a Higher Rate				
From	To	Year One	Year Two	Year Three
69%	71%	$\$1,033-(2 \times \$172)=$	$\$1,033-(1 \times \$172)=$	$\$1,033-(0 \times \$172)=$
\$517	\$1,033	<b>\$689</b>	<b>\$861</b>	<b>\$1,033</b>

Shifting to a Lower Rate				
From	To	Year One	Year Two	Year Three
71%	69%	$\$517+(2 \times \$172)=$	$\$517+(1 \times \$172)=$	$\$517+(0 \times \$172)=$
\$1,033	\$517	<b>\$861</b>	<b>\$689</b>	<b>\$517</b>

In 2014-15, 22 districts received a transitional adjustment. Of those, only one shifted to a lower rate, while 21 shifted to a higher rate. Transitional adjustments for school districts collectively reduced their total NSL funding by \$5.4 million. Two open enrollment charter schools also received transitional adjustments totaling \$65,852.

### NSL Growth Funding

Because NSL funding is based on the prior year's enrollment data, growing districts receive NSL funding for a smaller number of students than they are responsible for educating. To adjust for this issue, Act 2283 of 2005 created a provision that provides additional NSL funding for growing districts. (This funding is separate from and in addition to the regular student growth funding, which is another appropriation in the Public School Fund.) Districts that have grown at least one percent in enrollment each of the last three years qualify for NSL growth funding.

For those districts that qualify for funding, the amount provided is calculated by multiplying the three-year average growth in enrollment by the district's previous year's NSL percentage. That amount is then multiplied by the district's per-student NSL funding rate. An example of the NSL growth calculation is provided below.

Year	Enrollment	% Increase	Enrollment Increase	3-Year Average Enrollment Increase	NSL %
2011-12	1,000			12	
2012-13	1,010	1%	10		
2013-14	1,025	1.49%	15		
2014-15	1,036	1.07%	11		75%

<b>3-Year Average Increase in Enrollment</b>				<b>NSL %</b>		<b>NSL Funding Rate</b>		<b>2014-15 Total Growth Funding</b>
12	X	75%	X	\$1,033	=	\$9,297		

A total of \$707,259 in NSL growth funding was provided to 15 districts in FY2014-15.

District	NSL Growth Funding
Bentonville	\$72,168
Rogers	\$79,263
Brookland	\$21,280
Jonesboro	\$80,009
Valley View	\$13,308
Conway	\$41,924
Greenbrier	\$15,431
Fountain Lake	\$91,20
Southside	\$11,271
Lamar	\$44,109
Bauxite	\$7,927
Bryant	\$61,363
Farmington	\$9,916
Fayetteville	\$40,188
Springdale	\$199,982

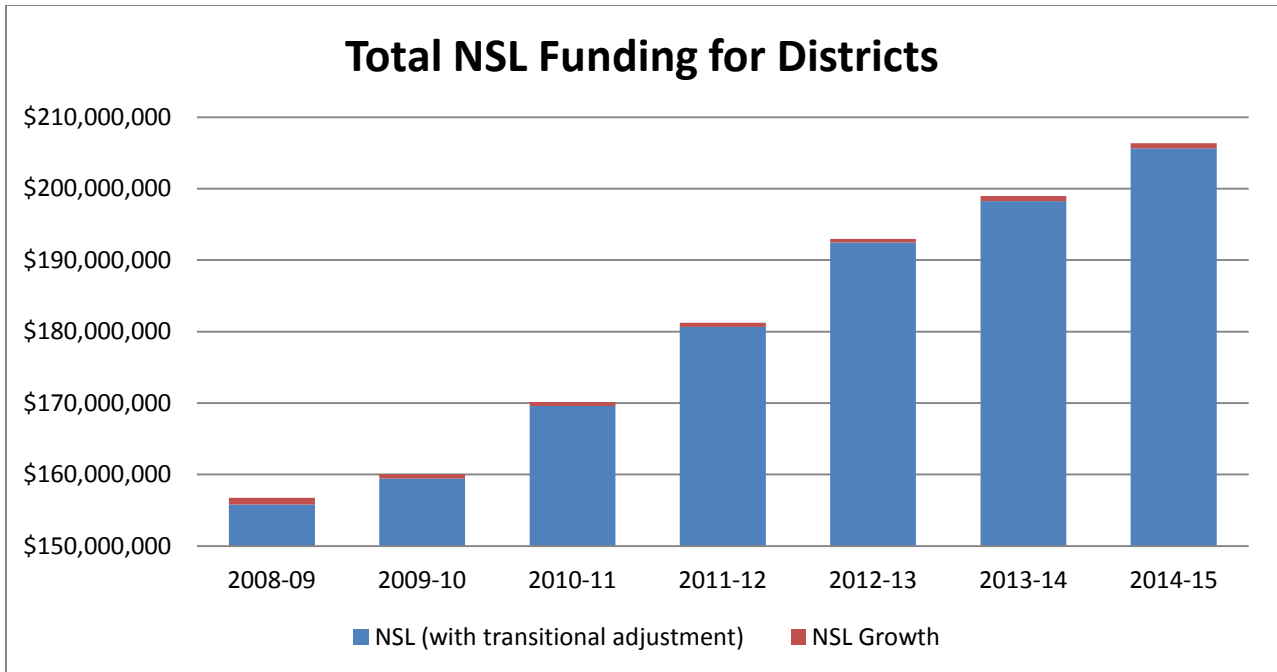
Three open-enrollment charters received a total of \$277,081 in NSL Growth Funding in FY2014-15.

Charter	NSL Growth Funding
KIPP Delta	\$162,415
LISA Academy	\$31,117
Little Rock Preparatory Academy	\$83,549

When NSL growth funding is added and transitional adjustments are applied, the NSL funding districts and charter schools received in 2014-15 totaled nearly \$210 million.

FY2015	Districts	Charters
NSL Funding (with NSL Transitional Adjustment)	\$205,633,809	\$3,366,160
NSL Growth	\$707,259	\$277,081
Total	\$206,341,068	\$3,642,241

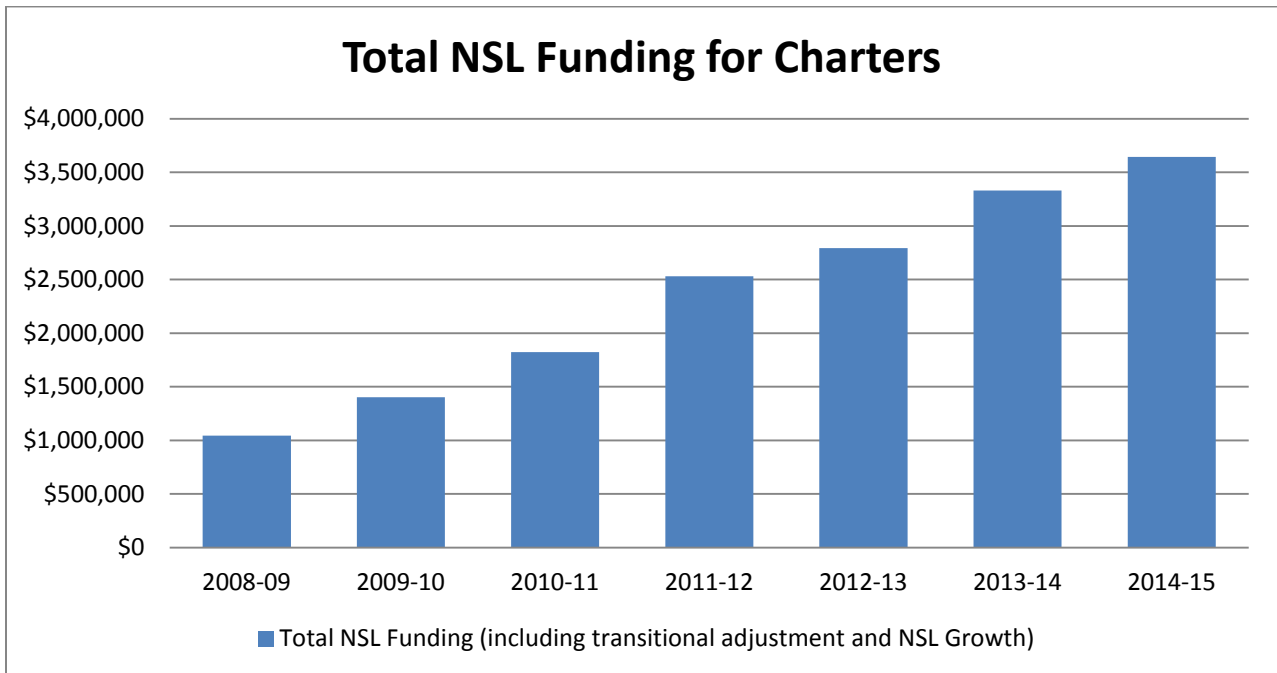
The following chart shows the growth in the amount of NSL funding (including transitional adjustments and NSL growth) provided to districts from 2009 through 2015. Total NSL funding for districts increased nearly 32% between 2009 and 2015. For comparison, the total amount of foundation funding provided to districts increased 13% for the same time period. Although NSL per-student funding rates increased in some years, the increase is largely the result of a growing number of students eligible for free and reduced-price lunch and the increasing number of districts that are moving from a low NSL rate (less than 70% NSL students for \$517 per NSL student) to a higher NSL rate (70%-89% NSL students for \$1,033 per NSL student).



Source: Arkansas Department of Education, State Aid Notices.

Note: The amounts in the chart above do not include reductions resulting from excessive fund balances under Act 1220 of 2011.

Total NSL funding has increased substantially for open enrollment charter schools as well. In 2008-09, only 12 of the 17 charter schools operating at the time received NSL funding. The 12 schools received a total of a little over \$1 million. In 2014-15, 16 of the 18 open-enrollment charter schools in operation received NSL funding. These schools received a total of \$3.6 million, more than triple the funding provided in 2009.



Source: Arkansas Department of Education: Annual Statistical Reports

Note: The amounts in the chart above do not include reductions resulting from excessive fund balances under Act 1220 of 2011.

## Allowable Uses and 2014 Expenditures

Unlike the per-pupil foundation funds, NSL funding is considered restricted, meaning districts can spend NSL dollars only for certain activities. A.C.A. § 6-20-2305(b)(4)(C) requires the State Board of Education to establish by rule a list of approved uses of NSL funds. The statute also provides a list of eligible uses for which districts may expend funding, but it notes that approved uses are not limited to those included in statute. The following chart lists the allowable uses specified in statute and the year in which the allowable use was adopted by the Legislature. It also lists the allowable uses spelled out in ADE’s Rules Governing the Distribution of Student Special Needs Funding. Each allowable use that does not have a year in the first column (“Year Added to Statute”) was added by rule only, not statute. The far right column, “% of NSL Exp.,” shows the percentage of all NSL expenditures statewide spent on each allowable use during the 2013-14 school year. (All expenditures described in this report are from the 2013-14 school year because 2014-15 expenditures have not been finalized.)

The uses recommended by the state’s education consultants—tutors and pupil support services—are shaded in light blue. (The consultants also recommended before- and after-school programs and summer school if tutoring was insufficient. See page 4 for more information about the consultants’ recommendations.)

Year Added to Statute	Arkansas Code	ADE Rules	% of NSL Exp.
2003	Classroom teachers, provided the district meets the minimum salary schedule without using NSL funds	Highly qualified classroom teachers in K-12	7.6%
2003	Curriculum specialists	Curriculum specialists and instructional facilitators or literacy, mathematics, or science specialists/coaches that meet specified requirements	21.0%
2003	Before- and after-school academic programs, including transportation	Research-based before- and after-school academic programs, including transportation	1.6%
2003	Pre-kindergarten programs coordinated by the Department of Human Services	Research-based pre-kindergarten programs that meet the program standards as outlined in the Rules Governing the Arkansas Better Chance program.	4.3%
2003	Tutors	Tutors	1.9%
2003	Teachers' aides	Teacher's aides	9.4%
2003	Counselors, social workers, and nurses	Licensed counselors and nurses above the mandates of the Standards for Accreditation; human service workers, licensed mental health counselors, licensed certified social workers or licensed social workers	8.4%
2003	Parent education	Parent education that addresses the whole child	.4%
2003	Summer programs	Summer programs that implement research-based methods and strategies targeted at closing the achievement gap	1.1%
2003	Early intervention programs	Early intervention programs	1.3%
2003	Materials, supplies, and equipment, including technology, used in approved programs or for approved purposes	Materials, supplies, and equipment, including technology, used in approved instructional programs or for approved purposes in support of the local educational agency’s ACSIP	**

Year Added to Statute	Arkansas Code	ADE Rules	% of NSL Exp.
2007	Supplement all classroom teacher salaries, after minimum teacher salary schedule is met	Bonuses or supplements to salaries above the minimum salary schedule	2.2%
2011	Federal child nutrition program free meals under the Provision 2 program or free meals for reduced-price students	Expenses of federal child nutrition programs to the extent necessary to provide school meals without charge to all students under the United States Department of Agriculture Special Assistance Alternative "Provision 2" or students otherwise eligible for reduced-price meals	1.3%
2011	Expenses directly related to a longer school day or school year	Expenses directly related to funding a longer school day or school year	0%
2011	Remediation programs partnering with higher education institutions	Partnering with local institutions of higher education to remediate students while those students are still in high school so that the students are college and career ready upon graduation from high school	.1%
2011	Teach For America professional development	Teach For America professional development	.01%
2011	The Arkansas Advanced Initiative for Math & Science	Implementing components of the Arkansas Advanced Initiative for Math and Science	.002%
2011	College and career coaches.	College and career coaches, as defined by the Department of Career Education	.2%
2011 <sup>3</sup>	Transfers to other categorical funds		10.5% (ALE, 7.3%; ELL, 1.9%; PD, 1.4%)
2013	Program using arts-infused curriculum		**
NA		Research-based professional development in the areas of literacy, mathematics, or science in K-12	1.8%
NA		School Resource Officers whose job duties include research-based methods and strategies tied to improving achievement of students at risk	**
NA		Experience-based field trips	**
NA		Coordinated school health coordinator	**
NA		A chronically underperforming school's ACSIP shall provide for the use of national school lunch state categorical funding to fund without limitation the following: <ul style="list-style-type: none"> <li>• Use of an Arkansas Scholastic Audit.</li> <li>• Use of disaggregated school data to set academic targets in reading, writing, mathematics, and science.</li> <li>• Use of improvement targets to define professional development needs related to content, instruction, differentiation, and best practices in educating student subgroups as identified in need.</li> <li>• Development of interim building-level assessments to monitor student progress toward proficiency on the state benchmark assessments.</li> <li>• Development of a plan to immediately address gaps in learning.</li> </ul>	12.4%

<sup>3</sup> Statutory language was added in 2011 (Act 1220 of 2011) that specifically permits districts to transfer funding between categorical funds. However, districts transferred funding between categorical funds prior to the statute's enactment.

Year Added to Statute	Arkansas Code	ADE Rules	% of NSL Exp.
		<ul style="list-style-type: none"> <li>Examination and realignment, as needed, of school scheduling, academic support systems, and assignment of personnel to improve student achievement.</li> <li>Design of a plan for increasing parental knowledge and skill to support academic objectives.</li> <li>Evaluation of the impact of the before-mentioned educational strategies on student achievement.</li> </ul>	
NA		Paying for students in grade eleven (11) to take the ACT Assessment, pursuant to the Voluntary Universal ACT Assessment Program or operating a postsecondary preparatory program.	.02%
NA		Other activities approved by the ADE. Such activities include, but are not limited to, research-based activities and activities directed at chronically underperforming schools	14.4%

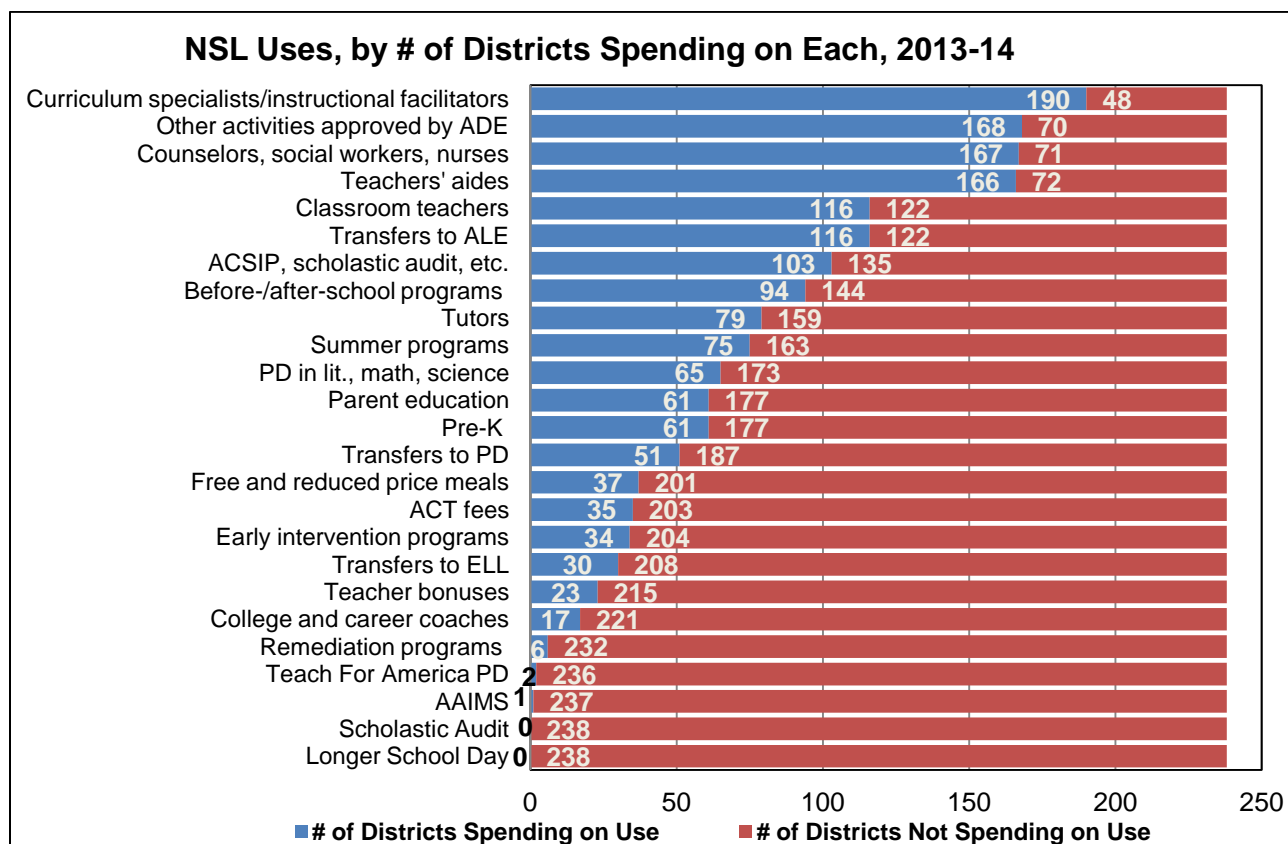
\*\* These uses do not appear to have a specific expenditure code (program code) for districts to use to record these types of expenditures.

Policymakers have frequently asked what types of programs are most helpful in raising student achievement among targeted students. The following table shows the spending patterns of districts based on the percentage of NSL students testing proficient or advanced on state assessments. Districts were divided into quartiles based on the percentage of each district's low-income students who scored proficient or advanced on state assessments. A proficiency percentage was calculated for low-income students taking any literacy test (Literacy Benchmark for Grades 3-8 and Grade 11 Literacy Assessment) and another proficiency percentage was calculated for low-income students taking any math assessment (Math Benchmark for Grades 3-8 and Algebra and Geometry End of Course Exams). An average of the two was then calculated. Districts were ranked based on this average and placed in quartiles. The following table shows each quartile's average percentage expenditure for each allowable use. The data show no discernible pattern in terms of NSL spending among the district with different levels of student achievement among low-income students.

Allowable Use	Proficiency Among NSL Students			
	43.2%-65.5%	65.6%-70.6%	70.6%-74.9%	74.9%-84.5%
<b>Classroom teachers</b> , provided the district meets the minimum salary schedule without using NSL funds	11.3%	7.6%	13.1%	10.2%
<b>Curriculum specialists</b> , coaches & instructional facilitators	20.4	20.4	19.1	21.8
<b>Before- and after-school academic programs</b> , including transportation to and from the programs	1.8%	1.2%	0.8%	2.0%
<b>Pre-kindergarten</b> programs	2.7%	2.9%	2.5%	2.5%
<b>Tutors</b>	1.7%	3.4%	3.3%	2.4%
<b>Teachers' aides</b>	7.4%	9.8%	12.4%	9.8%
<b>Counselors, social workers, and nurses</b>	7.5%	8.5%	8.2%	10.9%
<b>Parent education</b>	0.4%	0.7%	0.5%	0.1%
<b>Summer programs</b>	1.3%	0.6%	0.9%	0.6%
<b>Early intervention programs</b>	0.8%	1.7%	1.3%	1.2%
<b>Materials, supplies, and equipment</b> , including technology used in approved programs or for approved purposes				
<b>Supplement all classroom teacher salaries</b> , after minimum teacher salary schedule is met	1.8%	3.1%	1.8%	0.6%
Federal <b>child nutrition program free meals</b> under the Provision 2 program or free meals for reduced-price students	1.7%	1.8%	0.8%	0.2%

Allowable Use	Proficiency Among NSL Students			
	43.2%- 65.5%	65.6%- 70.6%	70.6%- 74.9%	74.9%- 84.5%
Expenses directly related to a <b>longer school day or school year</b>	0.0%	0.0%	0.0%	0.0%
<b>Remediation programs</b> , partnering with higher education institutions	0.04%	0.08%	0.00%	0.03%
<b>Teach For America professional development</b>	0.01%	0.01%	0.00%	0.00%
The <b>Arkansas Advanced Initiative for Math and Science</b>	0.00%	0.00%	0.00%	0.00%
<b>College and career coaches.</b>	0.2%	0.1%	0.2%	0.5%
<b>Transfers to ALE</b>	6.0%	6.7%	4.9%	6.2%
<b>Transfers to ELL</b>	0.3%	0.5%	0.8%	1.2%
<b>Transfers to PD</b>	0.7%	1.7%	1.5%	1.5%
Program using <b>arts-infused curriculum</b>				
Research-based <b>professional development</b>	2.1%	2.0%	.8%	1.2%
Activities related to an underperforming school's <b>ACSIP</b>	18.1%	8.2%	8.7%	9.3%
Paying for students in grade eleven (11) to take the <b>ACT</b>	0.1%	0.2%	0.1%	0.1%
<b>Other activities approved by the ADE.</b>	13.9%	18.8%	18.3%	17.9%

The funding can also be examined by the number of districts that spent NSL funds—of any amount—on each funding use. The most popular NSL use, as shown in the following chart was curriculum specialists and instructional facilitators, followed by other ADE-approved activities and pupil support services.



NSL expenditures can also be viewed by more general categories, such as whether it was used to pay for employees, contracted services or supplies. The majority of NSL expenditures—about 64% for school districts and about 75% for charter schools—went toward employee salaries and

benefits. Both districts and charter schools spent about 12% on supplies and materials and about 10% on contracted services (e.g., school improvement consultants).

Expenditure Category	% of Total NSL Expenditures	
	Districts	Charter Schools
Salaries and Benefits	63.52%	74.68%
Purchased Services	10.39%	10.85%
Supplies and Materials	12.05%	11.83%
Property	1.91%	2.01%
Other Uses	12.13%	0.63%

In 2013-14, districts received nearly \$199 million in NSL funding (including NSL transitional adjustments and NSL growth funding), and collectively they spent about \$199 million, including \$21 million that districts transferred from NSL funds to other categorical funding programs. NSL funding can be carried over from one year to the next, allowing districts to spend more than they received if they have balances from previous years.

FY2014		
	NSL Funding Received	NSL Expenditures
Districts	\$198,972,119	\$199,454,122
Charters	\$3,331,118	\$3,142,887

### NSL Fund Balances

Because districts are allowed to carry over unspent NSL funds from one year to the next, they frequently end the year with NSL fund balances. Collectively districts had \$17.30 million in NSL fund balances, or about \$61 per NSL student at the end of 2013-14. Open enrollment charter schools had \$259,917 in NSL fund balances. At the end of 2013-14, 225 districts had NSL fund balances (though 44 of those districts had fund balances under \$10,000). Over time, more districts are carrying NSL fund balances, but they are carrying smaller individual balances.

	Total NSL Fund Balance	Districts
2010-11	\$26.65 million	213
2011-12	\$21.68 million	212
2012-13	\$18.36 million	222
2013-14	\$17.30 million	225

2013-14 Ending Fund Balance	Number of Districts	Number of Charter Schools
\$0	13	8
1-\$50,000	129	8
\$50,001-\$100,000	45	0
\$100,001-\$500,000	47	1
\$500,001-\$1,000,000	4	0
Total	238	17

Act 1220 of the 2011 Regular Session (A.C.A. §6-20-2305) requires districts to spend at least 85% of the total NSL allocation they receive each year. At the end of the year, districts with NSL fund balances above 15% of their current year allocation are required to reduce their balance by at least 10% each year until their balance is within 15% of the year's allocation. If a district fails to comply, the Education Department may withhold a portion of the district's NSL funding in the following year. The law also allows ADE to redistribute to other districts any funding it withholds.



The law was applied for the first time to NSL fund balances at the end of 2011-12, requiring 53 districts (and two charter schools) to reduce their NSL fund balances in the 2012-13 school year. At the end of 2012-13, any of those 53 school districts that did not spend down the required 10% of their 2011-12 fund balance had NSL funding withheld in 2013-14. Eleven districts were unable to adequately spend down their NSL fund balances, and ADE withheld the following amounts from their NSL funding in 2013-14.

District	Amount Withheld
Helena West-Helena	\$926,998
South Mississippi County	\$106,527
Hughes	\$21,395
Cleveland County	\$16,018
Stephens	\$11,611
Des Arc	\$7,448
Marvell	\$5,968
Booneville	\$4,304
Cutter-Morning Star	\$3,511
Kirby	\$1,744
Riverside	\$151
<b>Charter Schools</b>	
Benton County School of Arts	\$28,869
LISA Academy	\$6,789
SIA Tech	\$1,623

(Act 1220 of 2011 also limits districts' allowable fund balance for all four state categorical funds collectively. Districts that were unable to spend down their total categorical fund balance, were also penalized. ADE imposed this penalty by withholding NSL funds. Six districts and two charter schools had NSL funding withheld for having a total categorical fund balance above the allowable limit.)

State statute allows ADE to redistribute to other districts any NSL funding the department withholds. According to ADE, withheld funds remained in the Public School Fund and were used to offset the general revenue needed to provide other funding for school districts.

## Poverty Funding In Other States

Like Arkansas, many states provide additional funding to school districts based on low-income student populations. However, the way the funding is distributed and the restrictions on its use varies by state. The Southern Regional Education Board (SREB) polled its 16 member states in 2013 about the way they provide this funding and published a compilation report in 2013.<sup>4</sup> According to the report, five SREB states (Alabama, Delaware, Florida, Georgia, and West Virginia) do not provide additional funding to districts based on students' family income. However, some of those five states may provide additional funding based on "at-risk students." Alabama, for example provides additional funding based on the number of students who do not score at proficient levels on state assessments.

Of the eleven states that do provide additional funding based on the number of low-income students, five have a complicated system that is unique to the state. The other six apply a weight to the regular per-student foundation funding for low-income students. For example, according to the

<sup>4</sup> Southern Regional Education Board, Notes on School Finance: Selected Information on Funding for Low-Income Students in SREB States, August 2013. Retrieved at [http://www.sreb.org/cgi-bin/MySQLdb?VIEW=/public/docs/view\\_one.txt&docid=2186](http://www.sreb.org/cgi-bin/MySQLdb?VIEW=/public/docs/view_one.txt&docid=2186)

report, Kentucky added a weight to the base student amount of .15 for each student eligible for free or reduced price lunch. If the base student amount was \$3,827, each low-income student would generate about 1.15 times that amount, or \$4,401.05 (\$3,827+\$574.05). Unlike Arkansas, these states do not consider each district's concentration of poverty. In other words each district receives the same rate per low-income student, regardless of whether its low-income population is 10% of its student body or 90%.

The six SREB states that use weights to calculate funding for low-income students are listed in the table below. Arkansas's NSL funding can be expressed as a weight, and, for comparison, those amounts also are provided in the table.

State	Weight
Arkansas	FY2016 \$522 = .079 \$1,042 = .158 \$1,562 = .237
1. Kentucky	.15
2. Louisiana	.22
3. Maryland	.97
4. Mississippi	.05
5. Oklahoma	.25
6. Texas	.2

According to the SREB report, most states allow districts flexibility in the way they spend the additional funding, but some states require the funding to be used on research-based programs or that the money be spent on targeted students. The targeted students are sometimes defined more broadly than just low-income students. In other words, the funding may be generated based on students' eligibility for free and reduced price lunch, but the money must be spent on students who, for example, are failing academically.

### Federal Funding for Low-income Student Populations

NSL state categorical funding is not the only type of funding districts receive to support the education of students in poverty. Districts also receive federal Title I funds for this purpose. While there are several types of Title I funding, the basic component is Title I, Part A. This funding is awarded to districts based, in part, on U.S. Census Poverty counts (students whose family income is 100% or less of the federal poverty level [FPL]), not the number of students who are eligible for free or reduced price lunch (students whose family income is 185% or less of the FPL). Districts must target the money on their schools with the highest concentrations of poverty, and schools must spend Title I funding on services for students who are failing academically or who are at risk of not meeting state academic standards.<sup>5</sup>

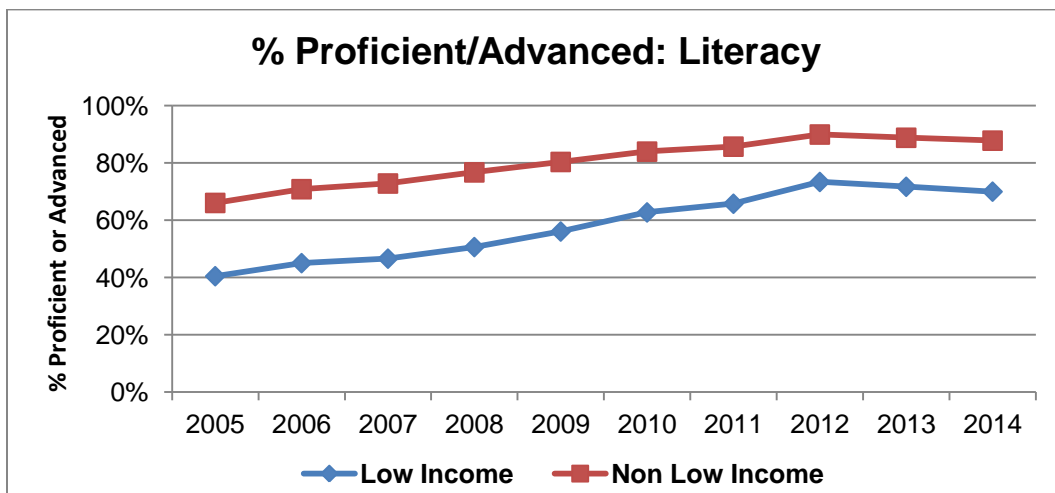
According to the Title I revenues districts reported in APSCN, all districts received Title I, Part A funding in 2013-14, as is typical. Collectively districts received about \$140 million in Title I, Part A funds. The funding levels ranged from about \$54,000 (Poyen) to about \$8.4 million (Little Rock). Fourteen of the 17 open enrollment charter schools operating in 2013-14 collectively received about \$3.8 million in Title I, Part A funds.

### Student Achievement

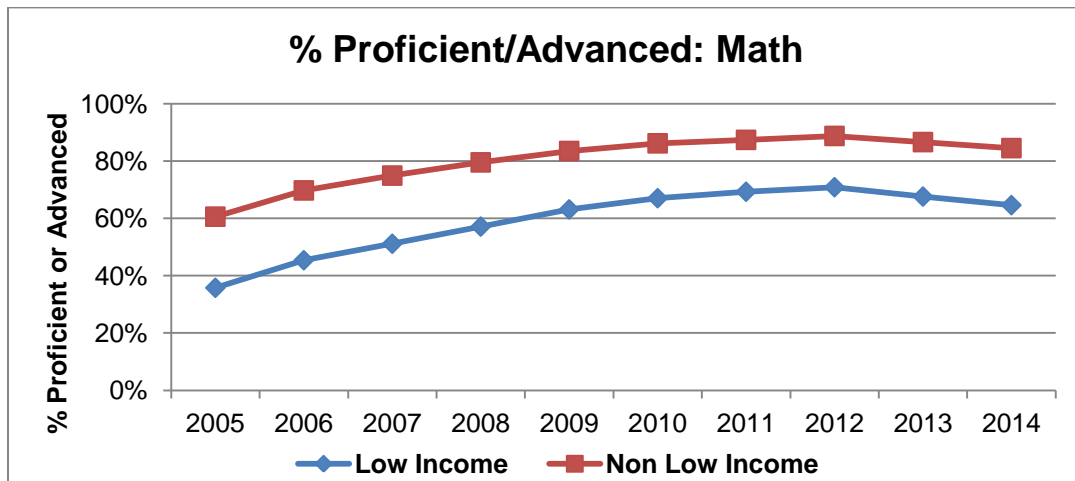
<sup>5</sup> U.S. Department of Education, Improving Basic Programs Operated by Local Educational Agencies (Title I, Part A). Retrieved at <http://www2.ed.gov/programs/titleiparta/index.html>.

## State Assessments

The following charts show the percentage of students who took a state Benchmark or End of Course exam and scored proficient (i.e., on grade level) or advanced. (Students in some grades, such as second grade, do not take benchmark or end of course exams.) The charts compare the percentage of NSL students (low-income) who tested proficient or advanced with the percentage of non low-income (all non NSL students) who were proficient or advanced. Student achievement among NSL students has increased since the funding began, but it continues to lag behind that of students who are not eligible for free or reduced-price lunch. The achievement gap between the low-income student population and the non low-income student population narrowed some between 2008 and 2012, but has begun to widen in the last two years. (It should be noted that the Common Core State Standards were phased in between 2012 and 2014. At the same time, students were being tested with assessments that were based on the previous academic standards. This misalignment may help explain the decrease in student test scores.)



Source: National Office of Research, Measurement and Evaluation Systems, Arkansas Research Center, University of Arkansas, Office of Innovation for Education



Source: National Office of Research, Measurement and Evaluation Systems; Arkansas Research Center; University of Arkansas, Office of Innovation for Education

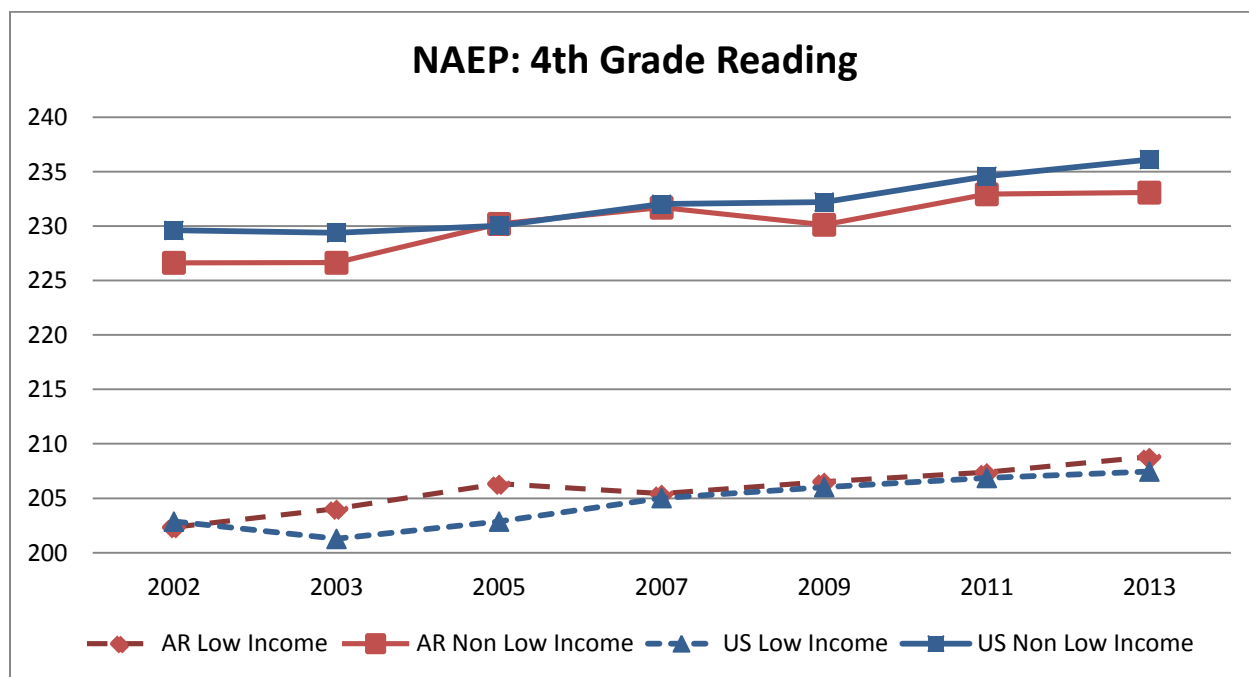
## NAEP Assessment

Because each state assesses students using its own test, it is difficult to accurately compare student proficiency from one state to another in the same way that the state compares one school's or one district's student performance with another. The best way to compare the student achievement of low-income students in Arkansas with those in other states is with the National Assessment of Educational Progress (NAEP) scale scores.

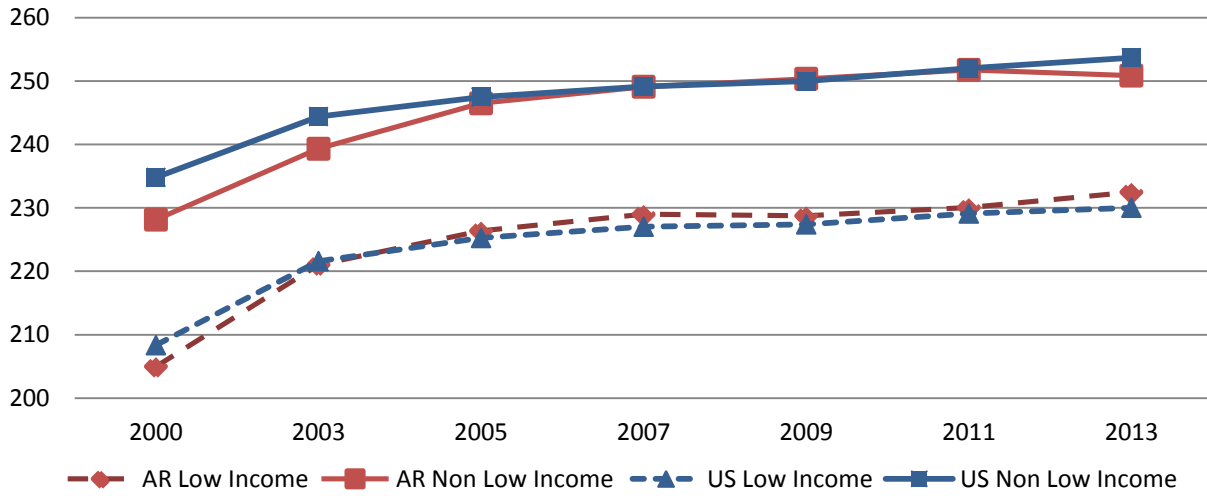
However, caution must be used in making state-to-state NAEP comparisons. The NAEP scores are based on a random sample of students in each state — not the entire state population of students. Therefore, these scores are estimates with sampling errors. If the entire population had been tested, the score may have differed somewhat.

Considering those cautionary notes, the following charts show how the average scale score for Arkansas's low-income students (those eligible for free or reduced-price lunch) and non low-income (not eligible for free or reduced-price lunch) compares with the average scale scores in surrounding states and nationally. **Arkansas's low-income 4<sup>th</sup> grade students typically outperform the national average for low-income students, while the state's non low-income students tend to score below the national average for their counterparts. Arkansas's 8<sup>th</sup> grade students typically perform below the national average, but the state's low-income students perform closer to the low-income national average than the state's more affluent students compared with their counterparts nationally.**

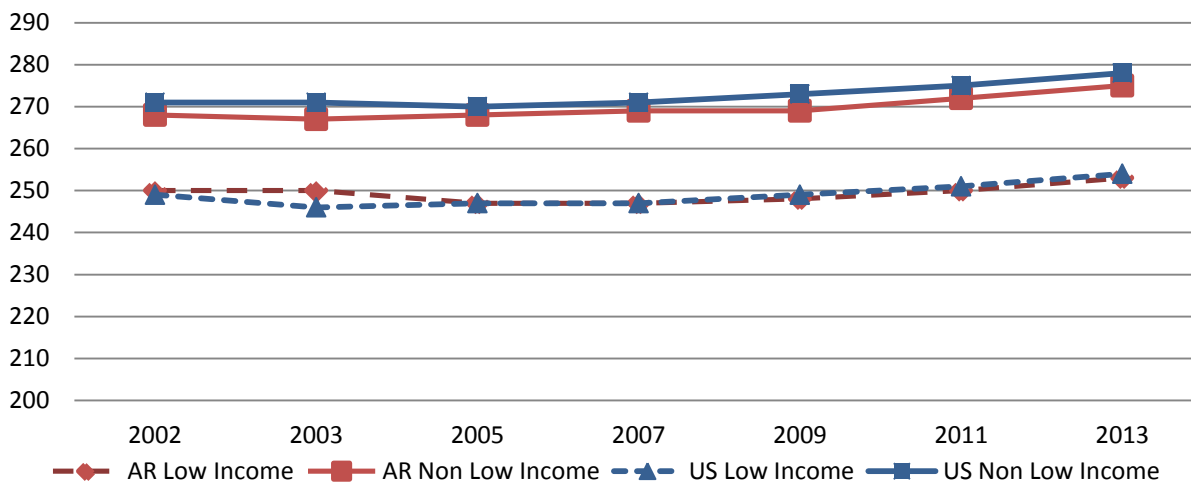
Additionally, both Arkansas and the U.S. have a pronounced achievement gap between low-income and non low-income students that does not appear to be narrowing. However, the **Arkansas gap is narrower than the U.S. gap in all four assessments** listed in the charts below.



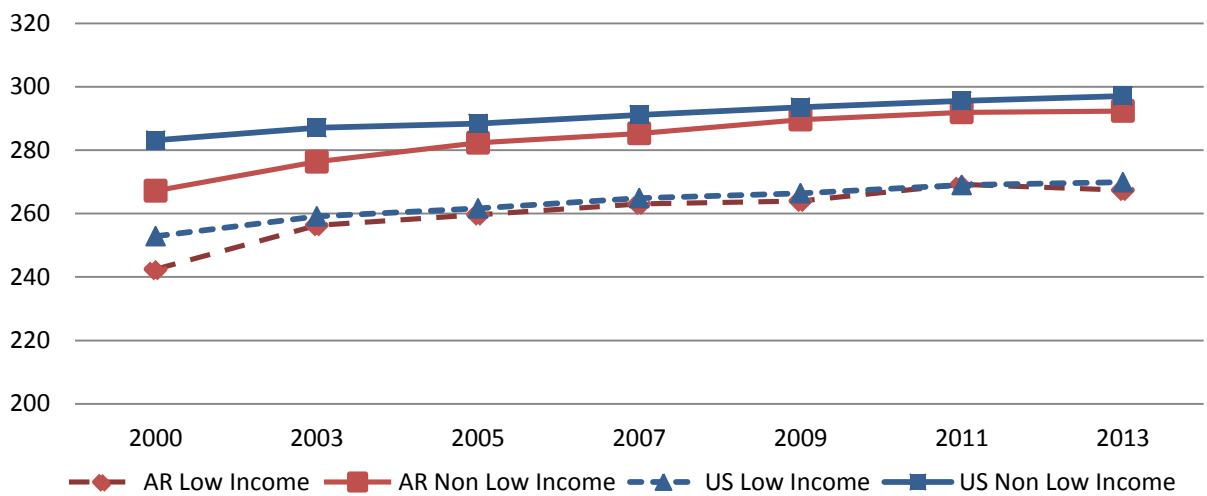
### NAEP: 4th Grade Math



### NAEP: 8th Grade Reading



### NAEP: 8th Grade Math



The following tables show how Arkansas's low-income students compared with low-income students in surrounding states on the 2013 NAEP assessment. Arkansas's low-income 4<sup>th</sup> graders scored higher than low-income students in most other surrounding states as did Arkansas's low-income 8<sup>th</sup> graders who took the math assessment. However, the state's low-income students ranked closer to the bottom of the selected states on the 8<sup>th</sup> grade reading assessment.

2013	4th Grade Reading				8th Grade Reading		
	Low-income		Non-Low-income		Low-income		Non-Low-income
Missouri	211	Tennessee	237	Missouri	256	<b>U.S.</b>	<b>278</b>
<b>Arkansas</b>	<b>209</b>	Missouri	236	Tennessee	256	Missouri	277
Oklahoma	208	<b>U.S.</b>	<b>236</b>	Texas	254	Tennessee	276
<b>U.S.</b>	<b>207</b>	Texas	234	<b>U.S.</b>	<b>254</b>	Texas	276
Texas	206	<b>Arkansas</b>	<b>233</b>	Oklahoma	254	<b>Arkansas</b>	<b>275</b>
Tennessee	205	Mississippi	231	<b>Arkansas</b>	<b>253</b>	Oklahoma	271
Louisiana	203	Oklahoma	230	Louisiana	250	Louisiana	271
Mississippi	201	Louisiana	230	Mississippi	246	Mississippi	269

2013	4th Grade Math				8th Grade Math		
	Low-income		Non-Low-income		Low-income		Non-Low-income
Texas	233	Texas	256	Texas	279	Texas	300
Oklahoma	232	<b>U.S.</b>	<b>254</b>	Missouri	271	<b>U.S.</b>	<b>297</b>
<b>Arkansas</b>	<b>232</b>	Tennessee	254	<b>U.S.</b>	<b>270</b>	Missouri	294
Missouri	230	<b>Arkansas</b>	<b>251</b>	<b>Arkansas</b>	<b>267</b>	<b>Arkansas</b>	<b>292</b>
<b>U.S.</b>	<b>230</b>	Missouri	250	Oklahoma	266	Tennessee	292
Tennessee	228	Oklahoma	249	Louisiana	265	Mississippi	288
Mississippi	226	Mississippi	248	Tennessee	265	Louisiana	287
Louisiana	226	Louisiana	244	Mississippi	263	Oklahoma	286

## Other Reports on NSL Funding Use and Closing the Achievement Gap

The Arkansas Department of Education (ADE) is required to produce two reports regarding the use of NSL funding and its impact on closing the achievement gap. One of the two reports must be included in the adequacy study process. That report is due May 31, 2016, and will be provided to the Education Committees at that time. Additionally, the Arkansas Commission on Closing the Achievement Gap is statutorily required to produce an annual report that addresses NSL expenditures.

Statute	Due Date	Entity Responsible	Report must address	Links to Reports
6-15-2701	August 1, annually	ADE	The use of NSL funding by chronically underperforming schools in the state and the status of the achievement gaps at chronically underperforming schools in the state.	Link to the 2015 Report: <a href="http://www.arkleg.state.ar.us/education/K12/InitiativesDevelopmentsDocs/2015%20Achievement%20Gap%20Report%20Arkansas%20Department%20of%20Education.pdf">http://www.arkleg.state.ar.us/education/K12/InitiativesDevelopmentsDocs/2015%20Achievement%20Gap%20Report%20Arkansas%20Department%20of%20Education.pdf</a>
6-20-2305 (b)(4)(C)(x ii)(E)(ii)	May 31 of even numbered years	ADE	The impact of NSL funding on closing the achievement gap, including: <ul style="list-style-type: none"> <li>• How school districts spend NSL funds, including specific programs used by school districts;</li> <li>• The amount of NSL funds transferred to other categorical funds, including a reason for the transfers;</li> <li>• The analysis of student achievement data evaluated in growth models, including the evaluation of the best estimates of classroom, school, and school district effects on narrowing the achievement gap.</li> </ul> Report must be included in adequacy study.	Link to the 2014 Report <a href="http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2014/2014-06-09/2014%20ADE%20Biannual%20Report%20-%20NSL%20Impact%20on%20Closing%20the%20Achievement%20Gap%20per%20ACA%206-20-2305%28b%29%284%29%28E%29.pdf">http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2014/2014-06-09/2014%20ADE%20Biannual%20Report%20-%20NSL%20Impact%20on%20Closing%20the%20Achievement%20Gap%20per%20ACA%206-20-2305%28b%29%284%29%28E%29.pdf</a>
6-15-1601	Nov. 1, annually	Commission on Closing the Achievement Gap	<ul style="list-style-type: none"> <li>• Profiles of underachieving students and chronically under-performing schools and districts</li> <li>• Review of policies and programs approved by ADE for NSL expenditures on closing the achievement gap</li> <li>• Child poverty statistics in the state and the impact poverty has on education</li> <li>• Successful strategies with students of poverty</li> <li>• Best practices for teacher preparation for student and language diversity</li> <li>• Review of leadership challenges in closing the achievement gap</li> <li>• Suggested policy changes to improve the achievement gap at the legislative, ADE, and school district level</li> </ul>	Link to the 2014 Report <a href="http://www.arkansased.gov/public/userfiles/Policy_and_Special_Projects/GAP_2014/2014_Annual_Report_ClosingTheGap.pdf">http://www.arkansased.gov/public/userfiles/Policy_and_Special_Projects/GAP_2014/2014_Annual_Report_ClosingTheGap.pdf</a>

## Summary Conclusion

National School Lunch (NSL) state categorical funding is state money distributed to school districts based on the levels of poverty among their students. The state funding is called NSL funding because eligibility for the federal National School Lunch Act program is used as the measure of poverty. Nearly 290,000 of the roughly 475,000 students enrolled in the state's school districts and open-enrollment charter schools, or about 61%, are eligible for free or reduced price lunch. Both the number and the percentage of NSL students, has been increasing annually over the last six years.

The amount of NSL funding districts and charter schools receive is based on the percentage of their students who are eligible for free or reduced-price lunch (NSL students). In 2014-15, districts with less than 70% NSL students received \$517 per NSL student. Districts with between 70% and 90% NSL students received \$1,033 per NSL student, and districts with 90% or more NSL students received \$1,549 per NSL student. In 2014-15, about 57% of the districts fell into the lowest NSL funding rate (<70%), while 39% were in the middle rate (70%-<90%) and just nine districts (4%) were in the highest funding rate (90%+). The number of districts in the lowest funding rate has decreased in recent years, while those in the middle rate has increased.

Total NSL funding for districts increased nearly 32% between 2009 and 2015 largely due to an increasing number of students who are eligible for free or reduced price lunch and an increasing number of districts receiving funding at the higher rates. Additionally, a growing number of charter schools are qualifying for NSL funding, causing NSL funding for charters to triple between 2008 and 2015.

NSL funding is considered restricted, meaning districts can spend NSL dollars only for activities specified in statute or rule. Collectively, districts spent the highest amount of NSL dollars on curriculum specialists/instructional facilitators, activities called for in their school improvement plan, and activities not specified in law or rule but individually approved by the Arkansas Department of Education. Districts also transferred about 10% of their NSL funds to other categorical programs. When districts were grouped by the student achievement levels of their NSL students, there was very little difference among the groups' spending patterns. Districts with the highest achieving NSL students did not spend their NSL dollars much differently from the districts with the lowest achieving NSL students.

This report also examined the patterns in student achievement among NSL students statewide on state assessments. While the test scores of low-income and non-low-income students has increased over the last decade, low-income students continue to score below more affluent students. This achievement gap narrowed some between 2008 and 2012, but has begun to widen slightly in the last two years.

The NAEP exam is used to compare Arkansas students' test scores with others' across the country. Arkansas's low-income 4<sup>th</sup> grade students typically outperform the national average for low-income students, while the state's non low-income students tend to score below the national average for non-low income students. Arkansas's 8<sup>th</sup> grade students of all income rages generally perform below the national average. However, the achievement gap between the state's low income 8<sup>th</sup> grade students and the national average for low-income students is smaller than the gap between the state's non-low-income students and the national average for non-low-income students.



## Appendix

### National School Lunch State Categorical Funding Amounts, 2014-15

County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	Act 1220 or 2011 With-holding	NSL Growth Funding	Total NSL Funding
ARKANSAS	DEWITT	822	\$424,974				\$424,974
ARKANSAS	STUTTGART	1,106	\$571,802				\$571,802
ASHLEY	CROSSETT	1,058	\$546,986				\$546,986
ASHLEY	HAMBURG	1,090	\$563,530				\$563,530
BAXTER	COTTER	471	\$486,543	-\$162,024			\$324,519
BAXTER	MOUNTAIN HOME	2,104	\$1,087,768				\$1,087,768
BAXTER	NORFORK	366	\$378,078				\$378,078
BENTON	BENTONVILLE	4,098	\$2,118,666			\$72,168	\$2,190,834
BENTON	DECATUR	450	\$464,850				\$464,850
BENTON	GENTRY	921	\$476,157				\$476,157
BENTON	GRAVETTE	914	\$472,538				\$472,538
BENTON	ROGERS	9,031	\$4,669,027			\$79,263	\$4,748,290
BENTON	SILOAM SPRINGS	2,334	\$1,206,678				\$1,206,678
BENTON	PEA RIDGE	813	\$420,321				\$420,321
BOONE	ALPENA	324	\$167,508				\$167,508
BOONE	BERGMAN	580	\$299,860				\$299,860
BOONE	HARRISON	1,447	\$748,099				\$748,099
BOONE	OMAHA	321	\$331,593				\$331,593
BOONE	VALLEY SPRINGS	428	\$221,276				\$221,276
BOONE	LEAD HILL	292	\$301,636		-\$14,724		\$286,912
BRADLEY	HERMITAGE	340	\$351,220				\$351,220
BRADLEY	WARREN	1,210	\$1,249,930				\$1,249,930
CALHOUN	HAMPTON	373	\$385,309	-\$64,156			\$321,153
CARROLL	BERRYVILLE	1,211	\$626,087				\$626,087
CARROLL	EUREKA SPRINGS	425	\$219,725				\$219,725
CARROLL	GREEN FOREST	1,023	\$1,056,759				\$1,056,759
CHICOT	DERMOTT	402	\$622,698				\$622,698
CHICOT	LAKESIDE	917	\$947,261				\$947,261
CLARK	ARKADELPHIA	1,111	\$574,387				\$574,387
CLARK	GURDON	565	\$583,645				\$583,645
CLAY	CORNING	686	\$708,638				\$708,638
CLAY	PIGGOTT	511	\$264,187		-\$34,331		\$229,856
CLAY	RECTOR	343	\$177,331				\$177,331
CLEBURNE	CONCORD	315	\$162,855				\$162,855
CLEBURNE	HEBER SPRINGS	884	\$457,028				\$457,028
CLEBURNE	QUITMAN	365	\$188,705				\$188,705
CLEBURNE	WEST SIDE	243	\$125,631				\$125,631
CLEVELAND	WOODLAWN	224	\$115,808		-\$11,526		\$104,282
CLEVELAND	CLEVELAND COUNTY	536	\$277,112		-\$40,122		\$236,990
COLUMBIA	MAGNOLIA	1,975	\$1,021,330				\$1,021,330
COLUMBIA	EMERSON-TAYLOR-BRADLEY	528	\$272,976				\$272,976
CONWAY	NEMO VISTA	255	\$131,835				\$131,835
CONWAY	WONDERVIEW	226	\$116,842		-\$16,268		\$100,574
CONWAY	SO CONWAY COUNTY	1,478	\$764,126				\$764,126
CRAIGHEAD	BAY	368	\$190,256				\$190,256

County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	Act 1220 or 2011 Withholding	NSL Growth Funding	Total NSL Funding
CRAIGHEAD	WESTSIDE CONSOLIDATED	979	\$506,143				\$506,143
CRAIGHEAD	BROOKLAND	703	\$363,451			\$21,280	\$384,731
CRAIGHEAD	BUFFALO ISLAND CENTRAL	457	\$236,269				\$236,269
CRAIGHEAD	JONESBORO	4,188	\$4,326,204			\$80,009	\$4,406,213
CRAIGHEAD	NETTLETON	2,075	\$1,072,775				\$1,072,775
CRAIGHEAD	VALLEY VIEW	697	\$360,349			\$13,308	\$373,657
CRAIGHEAD	RIVERSIDE	525	\$271,425		-\$8,192		\$263,233
CRAWFORD	ALMA	1,745	\$902,165				\$902,165
CRAWFORD	CEDARVILLE	624	\$644,592				\$644,592
CRAWFORD	MOUNTAINBURG	507	\$523,731				\$523,731
CRAWFORD	MULBERRY/PLEASANT VIEW BI-COUNTY	278	\$287,174				\$287,174
CRAWFORD	VAN BUREN	3,694	\$1,909,798				\$1,909,798
CRITTENDEN	EARLE	579	\$896,871				\$896,871
CRITTENDEN	WEST MEMPHIS	4,052	\$4,185,716				\$4,185,716
CRITTENDEN	MARION	2,651	\$1,370,567				\$1,370,567
CROSS	CROSS COUNTY	505	\$521,665				\$521,665
CROSS	WYNNE	1,650	\$853,050				\$853,050
DALLAS	FORDYCE	622	\$642,526	-\$106,984			\$535,542
DESHA	DUMAS	1,141	\$1,178,653				\$1,178,653
DESHA	MCGEHEE	897	\$926,601				\$926,601
DREW	DREW CENTRAL	662	\$683,846				\$683,846
DREW	MONTICELLO	1,132	\$585,244				\$585,244
FAULKNER	CONWAY	4,913	\$2,540,021			\$41,924	\$2,581,945
FAULKNER	GREENBRIER	1,220	\$630,740			\$15,431	\$646,171
FAULKNER	GUY-PERKINS	229	\$118,393				\$118,393
FAULKNER	MAYFLOWER	664	\$343,288				\$343,288
FAULKNER	MOUNT VERNON/ENOLA	297	\$153,549				\$153,549
FAULKNER	VILONIA	1,308	\$676,236				\$676,236
FRANKLIN	CHARLESTON	390	\$201,630				\$201,630
FRANKLIN	COUNTY LINE	287	\$148,379				\$148,379
FRANKLIN	OZARK	1,017	\$525,789				\$525,789
FULTON	MAMMOTH SPRING	285	\$147,345				\$147,345
FULTON	SALEM	523	\$270,391				\$270,391
FULTON	VIOLA	238	\$123,046				\$123,046
GARLAND	CUTTER-MORNING STAR	437	\$451,421	-\$75,164	-\$37,630		\$338,627
GARLAND	FOUNTAIN LAKE	815	\$421,355		-\$1,377	\$9,120	\$429,098
GARLAND	HOT SPRINGS	2,857	\$2,951,281				\$2,951,281
GARLAND	JESSIEVILLE	639	\$660,087	-\$219,816			\$440,271
GARLAND	LAKE HAMILTON	2,343	\$1,211,331				\$1,211,331
GARLAND	LAKESIDE	1,376	\$711,392				\$711,392
GARLAND	MOUNTAIN PINE	446	\$460,718				\$460,718
GRANT	POYEN	314	\$162,338				\$162,338
GRANT	SHERIDAN	2,114	\$1,092,938				\$1,092,938
GREENE	MARMADUKE	474	\$245,058				\$245,058
GREENE	GREENE COUNTY TECH	1,826	\$944,042				\$944,042
GREENE	PARAGOULD	1,858	\$960,586				\$960,586
HEMPSTEAD	BLEVINS	416	\$429,728				\$429,728
HEMPSTEAD	HOPE	2,023	\$2,089,759				\$2,089,759
HEMPSTEAD	SPRING HILL	289	\$149,413				\$149,413

County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	Act 1220 or 2011 Withholding	NSL Growth Funding	Total NSL Funding
HOT SPRING	BISMARCK	622	\$321,574				\$321,574
HOT SPRING	GLEN ROSE	553	\$285,901				\$285,901
HOT SPRING	MAGNET COVE	292	\$150,964				\$150,964
HOT SPRING	MALVERN	1,551	\$1,602,183				\$1,602,183
HOT SPRING	OUACHITA	248	\$128,216				\$128,216
HOWARD	DIERKS	363	\$187,671				\$187,671
HOWARD	MINERAL SPRINGS	367	\$568,483	-\$63,124	-\$169,758		\$335,601
HOWARD	NASHVILLE	1,271	\$657,107				\$657,107
INDEPENDENCE	BATESVILLE	1,581	\$817,377				\$817,377
INDEPENDENCE	SOUTHSIDE	975	\$504,075			\$11,271	\$515,346
INDEPENDENCE	MIDLAND	354	\$365,682	-\$60,888	-\$3,509		\$301,285
INDEPENDENCE	CEDAR RIDGE	557	\$287,969				\$287,969
IZARD	CALICO ROCK	274	\$141,658				\$141,658
IZARD	MELBOURNE	512	\$264,704				\$264,704
IZARD	IZARD CO CONSOLIDATED	339	\$350,187				\$350,187
JACKSON	NEWPORT	1,009	\$1,042,297				\$1,042,297
JACKSON	JACKSON COUNTY	535	\$276,595				\$276,595
JEFFERSON	DOLLARWAY	1,209	\$1,872,741				\$1,872,741
JEFFERSON	PINE BLUFF	3,734	\$3,857,222				\$3,857,222
JEFFERSON	WATSON CHAPEL	2,142	\$2,212,686				\$2,212,686
JEFFERSON	WHITE HALL	1,306	\$675,202				\$675,202
JOHNSON	CLARKSVILLE	1,889	\$1,951,337	-\$649,816			\$1,301,521
JOHNSON	LAMAR	873	\$901,809	-\$150,156		\$44,109	\$795,762
JOHNSON	WESTSIDE	480	\$495,840				\$495,840
LAFAYETTE	LAFAYETTE COUNTY	571	\$589,843				\$589,843
LAWRENCE	HOXIE	635	\$655,955				\$655,955
LAWRENCE	SLOAN-HENDRIX	438	\$226,446				\$226,446
LAWRENCE	HILLCREST	245	\$126,665				\$126,665
LAWRENCE	LAWRENCE COUNTY	692	\$357,764				\$357,764
LEE	LEE COUNTY	799	\$1,237,651				\$1,237,651
LINCOLN	STAR CITY	996	\$514,932				\$514,932
LITTLE RIVER	ASHDOWN	910	\$470,470				\$470,470
LITTLE RIVER	FOREMAN	379	\$391,507				\$391,507
LOGAN	BOONEVILLE	917	\$947,261	-\$157,724			\$789,537
LOGAN	MAGAZINE	412	\$425,596				\$425,596
LOGAN	PARIS	758	\$391,886				\$391,886
LOGAN	SCRANTON	234	\$120,978				\$120,978
LONOKE	LONOKE	1,101	\$569,217				\$569,217
LONOKE	ENGLAND	576	\$595,008				\$595,008
LONOKE	CARLISLE	417	\$215,589				\$215,589
LONOKE	CABOT	4,122	\$2,131,074				\$2,131,074
MADISON	HUNTSVILLE	1,362	\$704,154				\$704,154
MARION	FLIPPIN	572	\$590,876	-\$98,384			\$492,492
MARION	YELLVILLE-SUMMIT	526	\$271,942				\$271,942
MILLER	GENOA CENTRAL	532	\$275,044				\$275,044
MILLER	FOUKE	617	\$318,989				\$318,989
MILLER	TEXARKANA	2,995	\$3,093,835	-\$1,030,280			\$2,063,555
MISSISSIPPI	ARMOREL	156	\$80,652				\$80,652
MISSISSIPPI	BLYTHEVILLE	2,011	\$2,077,363				\$2,077,363
MISSISSIPPI	RIVERCREST	983	\$1,015,439		-\$8,668		\$1,006,771

County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	Act 1220 or 2011 Withholding	NSL Growth Funding	Total NSL Funding
MISSISSIPPI	GOSNELL	887	\$458,579				\$458,579
MISSISSIPPI	MANILA	646	\$333,982				\$333,982
MISSISSIPPI	OSCEOLA	1,165	\$1,804,585	-\$400,760			\$1,403,825
MONROE	BRINKLEY	413	\$426,629				\$426,629
MONROE	CLARENDON	544	\$842,656	-\$187,136			\$655,520
MONTGOMERY	CADDO HILLS	450	\$464,850				\$464,850
MONTGOMERY	MOUNT IDA	355	\$183,535				\$183,535
NEVADA	PRESCOTT	756	\$780,948				\$780,948
NEVADA	NEVADA	319	\$329,265				\$329,265
NEWTON	JASPER	640	\$661,120				\$661,120
NEWTON	DEER/MT. JUDEA	274	\$283,042				\$283,042
OUACHITA	BEARDEN	411	\$424,563		-\$57,598		\$366,965
OUACHITA	CAMDEN-FAIRVIEW	1,976	\$2,040,961				\$2,040,961
OUACHITA	HARMONY GROVE	525	\$271,425				\$271,425
PERRY	EAST END	347	\$179,399				\$179,399
PERRY	PERRYVILLE	541	\$279,697				\$279,697
PHILLIPS	BARTON-LEXA	629	\$649,757				\$649,757
PHILLIPS	HELENA-W HELENA	1,592	\$2,466,008				\$2,466,008
PHILLIPS	MARVELL	383	\$593,267		-\$45,165		\$548,102
PIKE	CENTERPOINT	658	\$340,186				\$340,186
PIKE	KIRBY	243	\$251,019	-\$83,592			\$167,427
PIKE	SOUTH PIKE COUNTY	499	\$515,467	-\$171,656			\$343,811
POINSETT	HARRISBURG	938	\$968,954				\$968,954
POINSETT	MARKED TREE	441	\$455,553		-\$1,338		\$454,215
POINSETT	TRUMANN	1,289	\$1,331,537				\$1,331,537
POINSETT	EAST POINSETT COUNTY	553	\$571,249				\$571,249
POLK	MENA	1,166	\$602,822				\$602,822
POLK	OUACHITA RIVER	471	\$486,543				\$486,543
POLK	COSSATOT RIVER	863	\$891,479				\$891,479
POPE	ATKINS	643	\$332,431				\$332,431
POPE	DOVER	872	\$450,824				\$450,824
POPE	HECTOR	436	\$450,388				\$450,388
POPE	POTTSVILLE	702	\$362,934				\$362,934
POPE	RUSSELLVILLE	2,968	\$1,534,456				\$1,534,456
PRAIRIE	DES ARC	386	\$398,738				\$398,738
PRAIRIE	HAZEN	432	\$223,344	\$148,608			\$371,952
PULASKI	LITTLE ROCK	17,035	\$17,597,155				\$17,597,155
PULASKI	N LITTLE ROCK	6,012	\$6,210,396	-\$1,034,064			\$5,176,332
PULASKI	PULASKI COUNTY	8,841	\$4,570,797				\$4,570,797
RANDOLPH	MAYNARD	336	\$347,088				\$347,088
RANDOLPH	POCAHONTAS	1,104	\$570,768				\$570,768
ST FRANCIS	FORREST CITY	2,415	\$2,494,695				\$2,494,695
ST FRANCIS	HUGHES	296	\$305,768				\$305,768
ST FRANCIS	PALESTINE-WHEATLEY	559	\$577,447				\$577,447
SALINE	BAUXITE	731	\$377,927			\$7,927	\$385,854
SALINE	BENTON	1,964	\$1,015,388				\$1,015,388
SALINE	BRYANT	3,438	\$1,777,446			\$61,363	\$1,838,809
SALINE	HARMONY GROVE	485	\$250,745				\$250,745
SCOTT	WALDRON	1,090	\$1,125,970				\$1,125,970
SEARCY	SEARCY COUNTY	623	\$643,559				\$643,559

County	District	Prior Year NSL Students	NSL Funding	NSL Transitional Adjustment	Act 1220 or 2011 With-holding	NSL Growth Funding	Total NSL Funding
SEARCY	OZARK MOUNTAIN	497	\$513,401				\$513,401
SEBASTIAN	FORT SMITH	10,265	\$10,603,745				\$10,603,745
SEBASTIAN	GREENWOOD	1,209	\$625,053				\$625,053
SEBASTIAN	HACKETT	363	\$187,671				\$187,671
SEBASTIAN	HARTFORD	233	\$240,689	-\$40,076			\$200,613
SEBASTIAN	LAVACA	435	\$224,895				\$224,895
SEBASTIAN	MANSFIELD	531	\$274,527				\$274,527
SEVIER	DEQUEEN	1,848	\$1,908,984				\$1,908,984
SEVIER	HORATIO	623	\$643,559	-\$107,156			\$536,403
SHARP	CAVE CITY	928	\$958,624				\$958,624
SHARP	HIGHLAND	1,030	\$532,510				\$532,510
STONE	MOUNTAIN VIEW	1,103	\$570,251				\$570,251
UNION	EL DORADO	2,830	\$1,463,110				\$1,463,110
UNION	JUNCTION CITY	333	\$172,161				\$172,161
UNION	PARKERS CHAPEL	283	\$146,311				\$146,311
UNION	SMACKOVER-NORPHLET	645	\$333,465				\$333,465
UNION	STRONG-HUTTIG	345	\$356,385				\$356,385
VAN BUREN	CLINTON	931	\$961,723				\$961,723
VAN BUREN	SHIRLEY	316	\$326,428				\$326,428
VAN BUREN	SOUTH SIDE	268	\$138,556				\$138,556
WASHINGTON	ELKINS	510	\$263,670				\$263,670
WASHINGTON	FARMINGTON	963	\$497,871			\$9,916	\$507,787
WASHINGTON	FAYETTEVILLE	3,800	\$1,964,600			\$40,188	\$2,004,788
WASHINGTON	GREENLAND	516	\$266,772				\$266,772
WASHINGTON	LINCOLN CONSOLIDATED	853	\$881,149				\$881,149
WASHINGTON	PRAIRIE GROVE	849	\$438,933				\$438,933
WASHINGTON	SPRINGDALE	13,832	\$7,151,144			\$199,982	\$7,351,126
WASHINGTON	WEST FORK	697	\$360,349				\$360,349
WHITE	BALD KNOB	838	\$433,246				\$433,246
WHITE	BEEBE	1,645	\$850,465		-\$10,511		\$839,954
WHITE	BRADFORD	360	\$371,880				\$371,880
WHITE	WHITE COUNTY CENTRAL	464	\$479,312	-\$159,616			\$319,696
WHITE	RIVERVIEW	1,019	\$1,052,627				\$1,052,627
WHITE	PANGBURN	439	\$226,963				\$226,963
WHITE	ROSE BUD	503	\$260,051				\$260,051
WHITE	SEARCY	2,092	\$1,081,564				\$1,081,564
WOODRUFF	AUGUSTA	380	\$392,540				\$392,540
WOODRUFF	MCCRORY	388	\$200,596				\$200,596
YELL	DANVILLE	672	\$694,176				\$694,176
YELL	DARDANELLE	1,478	\$1,526,774	-\$508,432			\$1,018,342
YELL	WESTERN YELL COUNTY	328	\$338,824				\$338,824
YELL	TWO RIVERS	638.00	\$659,054				\$659,054