

# AMSD Position on Compensatory Revenue

**T**he Association of Metropolitan School Districts believes that the compensatory revenue formula should be enhanced by increasing the base funding for students from low-income families. In addition, it is important that the formula continue to provide additional resources for schools with high concentrations of low-income students so school districts are able to provide the programming and learning opportunities necessary to close the achievement gap.

## AMSD BELIEVES

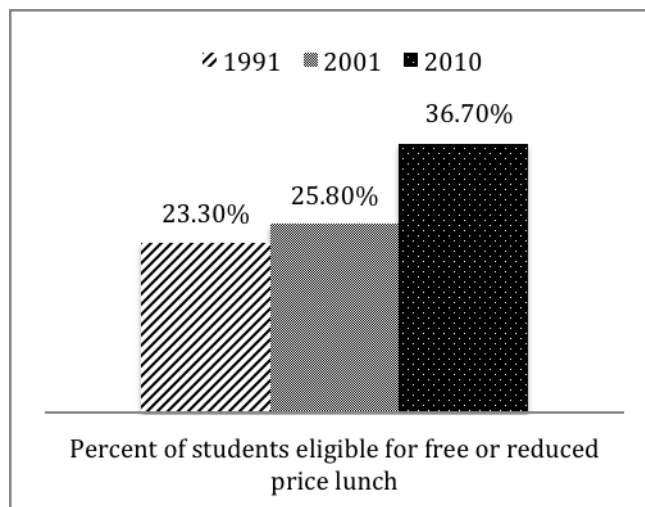
- All school districts are striving to meet the needs of students whose educational progress is below grade level as assessed by federal, state or local content or performance standards. The current compensatory revenue formula should be revised to better reflect the increased resources needed to properly serve students from low-income families.
- Schools with high concentrations of students who qualify for free or reduced price lunch need even greater resources to provide the extra services these students need to achieve and meet State graduation requirements.
- Historically, the level of poverty has been understated in most schools because many parents and students are reluctant to indicate their eligibility for the free or reduced lunch program.

## BACKGROUND

Student eligibility for the free and reduced price lunch program is based on family income. For the 2011-12 school year, a student from a family of four is eligible for the free lunch program if the family income is at or below \$29,055 – 130 percent of the federal poverty level.<sup>1</sup> A student from a family of four qualifies for the reduced price lunch program if their family income is at or

below \$41,348 – 185 percent of the federal poverty level.<sup>2</sup>

Compensatory revenue is provided to school sites using a formula based on the number and concentration of students eligible for free or reduced price lunch at the site. In the 2010-11 school year, 37% of Minnesota students qualified for the free or reduced price lunch program.<sup>3</sup> The graph below reflects the percent of students eligible for free or reduced priced lunch in 1991, 2001 and 2010.<sup>4</sup>



<sup>1</sup> "Program Fact Sheet," National School Lunch Program, 2011, United States Department of Agriculture: Food & Nutrition Service, 18 Jan. 2012 <<http://www.fns.usda.gov/cnd/lunch/AboutLunch/NSLPFactSheet.pdf>>

<sup>2</sup> "Program Fact Sheet"

<sup>3</sup> "Special Populations," Data Reports and Analytics, 2011, Minnesota Department of Education, 18 Jan. 2012 <<https://education.state.mn.us/MDEAnalytics/Data.jsp>>

<sup>4</sup> "Children Receiving Free/Reduced Price Lunch (Percent) – 1991 & 2001," Kids Count Data Center-Data by State, 2011, Annie E. Casey Foundation, 18 Jan. 2012

<<http://datacenter.kidscount.org/data/bystate/Rankings.aspx?state=MN&loct=5&by=a&order=a&ind=1772&dtm=10849&tf=2>>

Compensatory revenue provides the services students need to achieve at high levels. Such services include remedial instruction, additional teachers and aides, individualized instruction, longer school days, full-day kindergarten, summer programs, ongoing staff development, programs to reduce truancy, and programs to encourage parental involvement. The education funding study commissioned by P.S. Minnesota shows that Minnesota must significantly increase funding for at-risk students to ensure these students have the resources necessary to meet performance expectations.<sup>5</sup>



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<sup>5</sup> "Our Public Schools Should Not Be an Afterthought: A Framework for a New Minnesota Education Funding Formula," P.S. Minnesota Collaborative, 2011, Parents United, 18 Jan. 2012  
< <http://www.parentsunited.org/sites/af9a45da-3380-4140-ad90-e2f6e67572e6/uploads/PSMinnesotaFundingFramework.pdf> >