



## Association of Metropolitan School Districts

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# AMSD Position on Compensatory Revenue

**The compensatory revenue formula should be enhanced by increasing the base funding for students from low-income families. It is important that the formula continue to provide additional resources for schools with high concentrations of low-income students to provide the programming necessary to close the current opportunity and achievement gaps.**

## 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.
- To ensure equitable outcomes 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.
- The level of poverty is understated in most schools because many parents and students are reluctant to indicate their eligibility for the free or reduced lunch program.

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 \$46,435 – 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.

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, summer programs, ongoing staff development, programs to reduce truancy, and programs to encourage parental involvement. Studies have found a connection between providing additional funding for these at-risk students and increased academic success.<sup>3</sup>

## BACKGROUND

Student eligibility for the free and reduced price lunch program is based on family income. For FY 2018-2019, a student from a family of four is eligible for the free lunch program if the family income is at or below \$32,630 – 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 \$46,435 – 185 percent of the federal poverty level.<sup>2</sup>

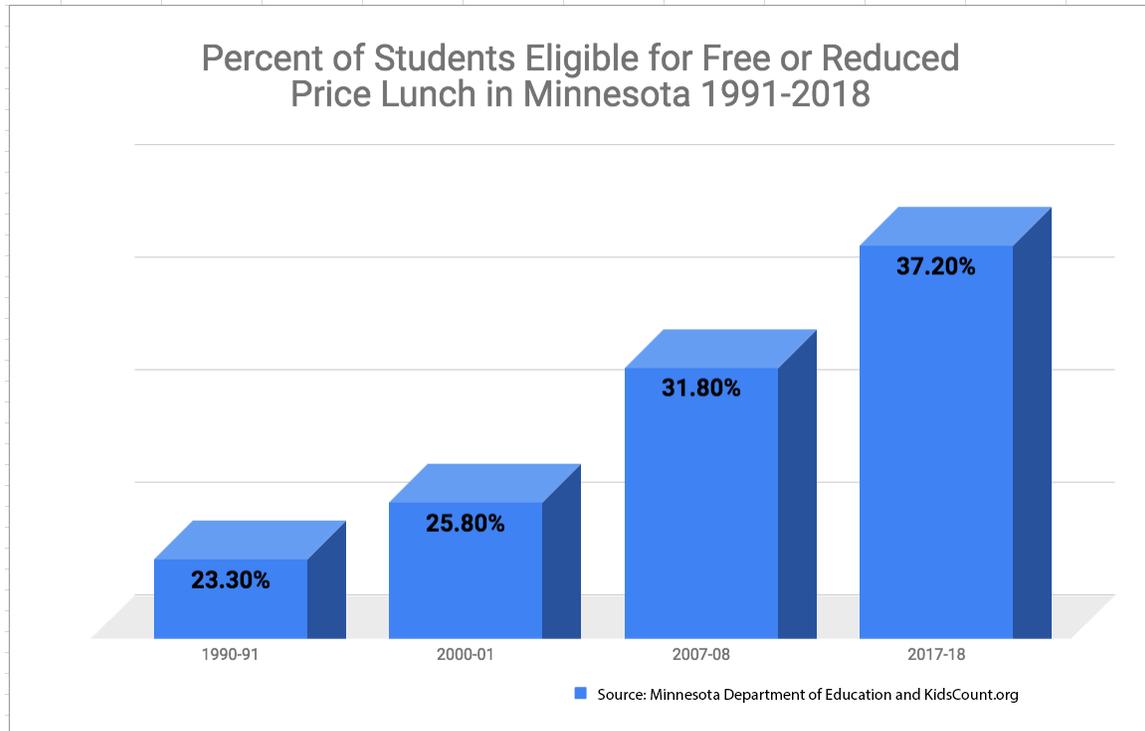
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For the 2017-18 school year, 329, 161 of Minnesota students (37.2 percent) qualified for the free or reduced price lunch program.<sup>4</sup>

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The graph below shows that the percent of students eligible for free or reduced price



## Endnotes

<sup>1</sup> Child Nutrition Programs: Income Eligibility Guidelines (July 1, 2017-June 30, 2018):

<https://www.fns.usda.gov/school-meals/income-eligibility-guidelines>

<sup>2</sup> Child Nutrition Programs: Income Eligibility Guidelines.

<sup>3</sup> "The Importance of At Risk Funding," Education Commission of the States, 2016.

< <https://www.ecs.org/wp-content/uploads/The-Importance-of-At-risk-Funding.pdf> >

<sup>4</sup> "Special Populations," Data Reports and Analytics, 2017-18 Minnesota Department of Education

<sup>5</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>>