



Equity Index

What is the Equity Index and Why Do We Need It?

The ESSA plan requires publicizing the per pupil spending at each building. That amount will include all spending, including state aid, federal aid and local spending. Currently, the only per pupil spending publicly available is the total spending per pupil at the school district level which does not account for need. Publicizing the per pupil spending at the school building level is a positive step towards creating more public transparency and awareness. However, it does not account for the massive difference in student need that exists between schools and districts.. For instance, if two schools in two different districts spend the same amount per pupil, but one has twice as many students in poverty, then there are large educational inequities despite the equal spending. The solution to this problem is, in addition to publicizing the actual spending per pupil, is to also publicize building level per pupil spending after adjusting for student need. To do this we suggest creating an Equity Index.

The Equity Index would utilize the weightings in the Foundation Aid formula and apply them to school per pupil spending to illustrate the real value of funding as student need is taken into consideration. The Equity Index will allow the state and general public including parents, teachers, students, administrators, and elected officials, to see the real value of funding at the school building level.

The Every Student Succeeds Act and the New York State Accountability plan for ESSA lays the foundation towards equity of resources. The state's Foundation Aid formula, which is the operating formula for all school districts, is based on principles of equity, by incorporating weightings to provide greater funding for

students who live in poverty, students with disabilities and English Language Learners. These weightings from the Foundation Aid formula provide the basis for the Equity Index we are recommending. While some have advocated updating the weightings and there are valid reasons to consider such updates, we are recommending that the weightings used in an Equity Index be based upon the Foundation Aid formula because those weightings are contained in state law.

While the Foundation Aid formula has been underfunded for years, and the state still owes schools over \$4 billion in Foundation Aid, the principles on which it is built are foundational if we want to achieve equity. However, the real issue with school funding is not only that Foundation Aid has not been adequately funded for over a decade, but also the fact that state funding is only part of each school district's money. On average, school districts get about half of their funding from the state, the rest is locally levied from local property taxes. Many of the inequities come from school districts' variable ability to levy taxes to fund schools because of the varied property values. The state's funding formula is meant to be wealth equalizing and to prioritize low income communities, but the underfunding of the Foundation Aid formula has created significant impediments to equity.

How does the Equity Index work?

The Equity Index adjusts the total school spending amount by adjusting it with a weighted pupil count, the School Equity Pupil Count as shown below.

Equity Spending Per Pupil = Total School Level Spending divided by School Equity Pupil Count

The School Equity Pupil Count is determined by factoring in the Foundation Aid Formula weightings for school level enrollment of students in poverty, English language learners, and students with disabilities as well as school district sparsity for rural districts.

In order to effectively do this we had to address some of the data challenges that exist. By consulting with SED staff we were able to devise effective ways to overcome these data challenges.

The following data points are key to the Equity Index:

- Total Enrollment--this is reliably available at the school level
- FRPL--There are questions about FRPL data, particularly at middle and high school levels. However, the U.S. Department of Agriculture, which oversees federal lunch subsidies, has determined that multiplying a district's Direct Certification Count by 1.6 provides an accurate estimate of FRPL eligibility. As such we recommend taking the school level Direct Certification Count and multiplying it by 1.6.¹ The Direct Certification Count is calculated by multiplying the Identified Student Percentage by the School Level Enrollment.

School FRPL Count = Identified Student Percentage (per Direct Certification) x School Level Enrollment x 1.6.

- Census Poverty--This data is not available at the school level. However, an accurate proxy can be calculated. To do this we recommend first calculating the proportion of the district's economically disadvantaged students that attend the school. This would then be multiplied by the total number of students in the district Census count who are living in poverty.

School Census Count = District Census Count x (Economically Disadvantaged Students in School/Economically Disadvantaged Students in District)

- ELL data is available at the school level.
- Students with disabilities data is available at the school level.
- School Sparsity Count--SED calculates a school district sparsity count by multiplying the district enrollment by the District Sparsity Factor. A school level sparsity count could be calculated by multiplying the school level enrollment by the District Sparsity Factor.

School Sparsity Count = School Enrollment x District Sparsity Factor

The Foundation Aid Weightings are as follows:

- FRPL Weighting = .65
- Census Count Weighting = .65
- ELL Weighting = .5
- Students with Disabilities = 1.41

¹ The USDA set the range for this multiplier at 1.3 to 1.6, but has designated that 1.6 is the current appropriate range. If in the future USDA changes the multiplier it should be adjusted within the Equity Index.

FORMULA FOR EQUITY INDEX

School Equity Spending = School Level Total Spending/School Equity Pupil Count

School Equity Pupil Count = (Total School Enrollment + (School FRPL Count x .65) + (School Census Count x .65) + (ELL Count x .5) + (School Students with Disabilities Count x 1.41) + School Sparsity Count) x Regional Cost Index