



EdFund

**Concentrated
Poverty Funding
*Meaningful
State Policies***

Concentrated Poverty Funding

Meaningful State Policies

This report details existing state policies that provide meaningful investments in concentrated poverty neighborhoods. They are intended to be illustrative, rather than directive. They do not take into account per-pupil base funding amounts, overall funding levels, or federal funding.

*Learn more about Concentrated Poverty Funding at
<https://ed-fund.org/concentrated-poverty/>*



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California

California provides increased funding for districts based on the concentrations of students from low-income households. It provides a multiplier of 1.65 to the per-student base amount for each eligible student in districts that enroll over 55% of eligible students. An eligible student is defined as a participant in FRL or other social safety net programs, or is an English Language Learner.



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Connecticut

Connecticut provides increased funding for districts based on the concentrations of students from low-income households. It does so by providing supplemental funding for districts where at least 60% of students are from low-income households.

In districts where at least 60% of students are from low-income backgrounds, students from low-income households above this threshold generate supplemental funding equal to 1.45 times the base per-pupil amount.



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District of Columbia

The District of Columbia provides increased funding for students from low-income households. It does so by applying a multiplier of 1.31 to the per-pupil base amount for at-risk students in districts with over 40% concentrated poverty and of 1.38 for districts with over 70% poverty. Students are designated “at risk” if their families receive food or income assistance through Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families Program (TANF), experience homelessness, are in the foster care system, or exceed the typical age in high school.

The number of students for which a school may receive the per-pupil allocation for schools above 40% concentrated poverty is: the number of at-risk students enrolled in the school – (40% x total school population). For schools above 70% concentrated poverty, the number is: the number of at-risk students enrolled in the school – (70% x total school population).

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Indiana

Indiana provides increased funding for districts based on the concentrations of students from low-income households. The state does so through a "Basic Grant" program, which adds together a Foundation amount and a Complexity amount.

Districts then receive an amount that is calculated through a multistep formula that takes into account the concentration of students in a district who, as of the previous Fall, were receiving benefits from the SNAP, TANF, or foster care services. A district's percentage of eligible students is multiplied by a dollar amount, which is then multiplied by the district's student count to calculate their grant amount. The grant amount may also be affected by the district's share of English Language Learners (if greater than 18%) and a recent change in the district's percentage of eligible students. Total funding per student is the sum of the foundation and complexity amounts.

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Kansas

Kansas provides increased funding for districts based on the concentrations of students from low-income households. It calculates funding weights from the amount of at-risk students in the district, and provides additional funding to districts where at least 35% to 50% of students are from low-income households, and a further increased amount for districts where above 50% are from low-income households. As of FY2024, the at-risk weighting is scheduled to expire at the end of FY2027.

For school districts with an at-risk population greater than 35% but less than 50%, 35% is subtracted from the percentage of at-risk students in the district. That difference is then multiplied by a factor of 0.7. That product is then multiplied by the number of at-risk students in the district. The formula is as follows:

$(\% \text{ of at-risk students} - 35\%) \times 0.7 \times \text{at-risk enrollment} = \text{high-density at-risk weighting.}$

For school districts with an at-risk population of at least 50%, the number of at-risk students is multiplied by a factor of 0.105 to produce an additional high density at-risk weighting.



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Maryland

Maryland provides increased funding for districts based on the concentrations of students from low-income households. It does so by providing a grant to public schools where at least 65% of students are FRL-eligible, with additional phase-ins through 2033.

Each eligible school receives funding equal to a multiplier of 1.16 times the base per-pupil amount for the first year of eligibility, with up to 2.00 times the per-student base after seven years for eligible students. The concentration of poverty level for eligible schools to receive this grant will be decreased to 60% in FY2026 and 55% in FY2027.

Maryland decides the count for concentrated poverty per pupil grant funding by taking the sum of the percentage of eligible students of the school's enrollment for the prior four prior school years, minus the 2020-21 school year percentage of eligible students, rounded to the nearest whole percent. It then divides this by three, and rounds to the nearest whole percent.

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Massachusetts

Massachusetts provides increased funding for districts based on the concentrations of students from low-income households. It does so by varying the additional allocation provided for each low-income student based on the school district's share of low-income students as compared with other districts in the state.

Districts are assigned to low-income groups based on the share of low-income students as a percentage of enrollment, with districts in higher groups receiving more funding. There are twelve total groups. Each district is assigned to a group based on the share of its students who come from families that participate in one or more of the following state-administered programs: SNAP, Transitional Assistance for Families with Dependent Children (TAFDC), foster care, Medicaid, or students reported by a district as homeless through the McKinney-Vento Homeless Education Assistance program application, or through a supplemental data collection process identifying them at 185% of the federal poverty level. In FY2025, the school districts in low-income group 1 (with the smallest share of low-income students) received \$4,142 additional increments per-student, while the districts in low income group 12 (with the largest share of low-income students) received \$8,514 in incremental increase per-student. These incremental rates are then added to the base student funding amount for the total per-pupil allocation.

The dollar amounts are calculated based on the increased resource costs associated with educating low-income students in different environments. The per-student costs included in the funding calculation for each decile include those for staff salaries and benefits, instructional equipment and technology, pupil services, and professional development, among other resources.



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Michigan

Michigan provides increased funding for districts based on the concentrations of students from low-income households. In 2023, Michigan's legislature created an "Opportunity Index" that includes six tiers of funding based on the level of concentrated poverty in the school district. Economically disadvantaged students from communities without much poverty would generate a multiplier of 1.115 to the base rate in additional funds for their school district. In a high-poverty community, the same students would generate up to a multiplier of 1.153 in additional funds. This index will phase in over a period of years.

Within each of the first five tiers, the funding weight increases incrementally as poverty increases. At the highest tier, every low-income student is funded at the maximum weight. After a phased-in implementation, the maximum weight for the highest-poverty districts should reach a multiplier of 1.47 to the base student funding rate.



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Minnesota

Minnesota provides increased funding for districts based on the concentrations of students from low-income households. It does so in the form of additional funding that must be used for specified purposes related to disadvantaged students' educational needs.

Districts are eligible for this funding, called compensatory pupil funding, based on fall district counts of students eligible for FRL, or through participation in public assistance programs including medical assistance and SNAP.

This funding is calculated by the following formula:

(Number of free lunch students + half the number of reduced lunch students) x .6 x (the lesser of: (1) or (reduced lunch students + half the number of reduced lunch students/the school's average daily membership)). This number is then multiplied by the base rate, minus \$839 to determine the compensatory funding.



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New Jersey

New Jersey provides increased funding for districts based on the concentrations of students from low-income households. It does so by applying a multiplier to the base per-pupil amount for low-income students, which ranges from 1.47 to 1.57 depending on the concentration of low-income students in the district.

A multiplier of 1.47 is applied for districts where fewer than 20% of students are eligible for this funding; between 1.47 and 1.57 for districts where between 20% and 60% of students are eligible, on a sliding scale; and 1.57 for districts where more than 60% of students are eligible. Students are eligible for this supplemental funding if they come from households with an income at or below 185% of the federal poverty level.



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New York

New York provides increased funding for districts based on the concentrations of students from low-income households. It does so primarily in the form of supplemental per-pupil funding for districts in an amount that corresponds to the concentration of low-income students in the district.

In New York, the student-based funding calculated for each district is first multiplied by an index that adjusts for regional cost of living and then by the Pupil Need Index, which is a compound adjustment that considers concentrations of students from low-income households along with concentrations of English Language Learners and the sparsity of the school district. The portion of this index related to poverty adds together 65% of the students in grades K-6 who are FRL-eligible and 65% of the students from households below the federal poverty level, and then divides the result by the total K-12 enrollment of the district. This percentage plus 1 becomes the effective multiplier that is applied to the district's cost-adjusted formula funding to provide for students from low-income households.



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Ohio

Ohio provides increased funding for districts based on the concentrations of students from low-income households. It does so in the form of two allocations: one that provides funding for students from low-income households, adjusted for the concentration of students from low-income households in the district, and another that provides increased funding for districts with low levels of property wealth and income.

Ohio provides increased funding for students from low-income households through Economically Disadvantaged funding, which provides a set amount to each district for each economically disadvantaged student, multiplied by an index, which reflects the district's share of economically disadvantaged students compared to the statewide share. Ohio also provides increased funding for districts with high concentrations of students from low-income households through Targeted Assistance, which is calculated using a multistep formula.

For the purposes of Economically Disadvantaged funding, economically disadvantaged students are those who are FRL-eligible, those who are known to be recipients of public assistance, and those who meet federal Title I income guidelines. For Targeted Assistance, the calculation first considers a per-student local wealth measure based on local property valuation and local household income. This figure is then compared to a parallel statewide measure to produce a wealth index. The formula uses this information to provide supplemental funding to those districts where the wealth index falls below a threshold.



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Pennsylvania

Pennsylvania provides increased funding for districts based on the concentrations of students from low-income households. It does so by increasing the multiplier that is applied to the student count for students from low-income households in districts where 30% or more of students are from low-income households, as well as by providing increased funding to districts where the median household income falls below the state median household income.

Pennsylvania applies a multiplier of 1.9 to the count of students who live below the federal poverty line in districts where more than 30% of students live in poverty, compared with a multiplier of 1.6 for such students in districts with lower rates of student poverty. In addition, Pennsylvania provides increased funding to districts with low median household incomes. It does so by calculating an index that compares each district's median household income to the state median income, and applying that index to the weighted student count that is used to determine the district's share of state formula aid.

For FY2025, Pennsylvania introduced an Adequacy Supplement and Tax Equity supplement. The bill calculates a total adequacy gap (\$5.1 billion) and tax equity gap (\$955 million) and allocates 1/7th of that amount each year for the next seven years. These supplement amounts become part of the base amount in subsequent years. The adequacy gap is calculated by subtracting the district's current expenditures from the product of \$13,704 and the district's weighted student count. The adequacy gap is then adjusted downward for districts that have a low local tax effort or are growing and have a strong tax base.



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Virginia

Virginia provides increased funding for students from low-income households based on concentrations of students from low-income households through its at-risk add-on funding. At-risk student funding provides each school division the state share of a payment up to a multiplier of 1.37 of basic-aid add-on per estimated at-risk student, with each school division's add-on percentage determined based upon the school division's concentration of at-risk students relative to all other school divisions. Forty percent of the allocated at-risk add-on funding is distributed using a variable rate based on the concentration of poverty in each school division.