The Learning Assistance Program:
Options to Revise the State Funding Formula

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A Technical Appendix containing results from various statistical analyses is available by accessing the Institute's website (www.wsipp.wa.gov) or by request at (360) 586-2677.

EXECUTIVE SUMMARY

Background

The Learning Assistance Program (LAP) was created in 1987 to provide extra assistance for low-achieving students. LAP is a state program that provides funding to school districts based on standardized test scores and above-average student eligibility for federal Free and Reduced Lunch (FRL). For the 2001–03 biennium, the state appropriated $131 million for LAP.

Although several studies of LAP have been conducted in the last ten years, recent changes make a new review of LAP timely. In 2001, Congress made significant changes to Title I of the federal Elementary and Secondary Education Act (ESEA), the major federal program that provides funds for remediation. The Office of the Superintendent of Public Instruction (OSPI) has begun using the same performance goals for accountability under state education reform and Title I accountability. These goals are based on improvement in students' scores on the Washington Assessment of Student Learning (WASL). LAP is not currently related to these accountability efforts in any direct way.

The 2001 Legislature directed the Washington State Institute for Public Policy (Institute) to "examine options for revising the state's funding formula for the learning assistance program to enhance accountability for school performance in meeting education reform goals."[1] To conduct this study, the Institute analyzed student test scores and state data from LAP and Title I year-end reports. A telephone survey of LAP/Title I program directors across the state was also conducted.

How Do LAP and Title I Compare?

Because school districts have long operated LAP and federal Title I programs in tandem, this report analyzes both. On a statewide average, LAP and Title I together made up 3 percent of state and federal revenue to school districts in 2000–2001.

LAP is intended to enhance educational opportunities for students who are deficient in basic skills achievement. For the 2000–2001 school year, districts received $74 million from LAP. Funds are currently allocated to school districts based on the following criteria:

- 93 percent is allocated based on low test scores (the percentage of students in each school district who score in the lowest quartile on standardized tests).
- 7 percent is allocated based on student poverty (the percentage of students who are eligible for federal Free and Reduced Lunch programs, if the district average is above the state average).

[1] ESSB 6153, Section 608(4), Chapter 7, Laws of 2001 2nd Special Session (2001–03 Biennial Appropriations Act).

After the state allocates funds to districts, districts have complete discretion to decide how to allocate LAP money to individual school buildings.

Title I is intended to ensure equal educational opportunity for children regardless of socioeconomic background. For the 2000–2001 school year, districts received $113 million from Title I. All funding is allocated to districts based on poverty, with additional federal stipulations on how districts must allocate funds to individual school buildings.

There are two types of Title I programs:

- In **targeted assistance programs**, students are rank-ordered based on their performance, and those students most in need of additional assistance are served first.
- In **schoolwide programs**, buildings have flexibility to combine resources and provide services to students on an as-needed basis. Buildings with schoolwide programs must have at least 50 percent poverty and develop a comprehensive plan to reform instruction in the school. Over half (56 percent) of Title I money went to schoolwide programs in 1999–2000.

How Are LAP and Title I Funds Allocated?

There is a broad distribution of both LAP and Title I funds to school districts and school buildings in the state. More than 90 percent of districts and 70 percent of buildings receive funding from one or both sources.

Districts follow three patterns in prioritizing the allocation of LAP and Title I resources among buildings:

- **Early intervention:** More than 70 percent of LAP and Title I dollars go to elementary schools, and nearly 90 percent of elementary schools in the state receive funds from LAP, Title I, or both.
- **Student poverty:** Most surveyed districts allocate LAP money to buildings based on poverty, even though the state allocates the money based primarily on test scores. Statistically, we found that the strongest predictor of the amount of an elementary building's LAP and Title I allocation is the percentage of FRL-eligible students.
- **LAP as a supplement to Title I:** When we examined how districts coordinate LAP and Title I dollars in elementary buildings, we found that in most districts either all elementary buildings in the district receive LAP money or LAP money fills in for buildings not eligible for Title I. Relatively few districts prioritize among buildings to the extent that some elementary schools receive no LAP or Title I enhancements.

How Are LAP and Title I Funds Spent?

Students Served

As described above, school districts focus on providing services to elementary students: more than 80 percent of LAP or Title I students are in grades K–6. The proportion of minority and bilingual students in the programs is higher than in the overall student population.

Districts report dramatic increases in the number of LAP and Title I students over the last five years (67 percent increase in LAP and 42 percent in Title I). If reported figures for 1999 are correct, nearly one-fifth of all elementary students are in LAP (120,000), and one-fourth are in Title I (146,000).

However, current reports on participation in LAP and Title I are not comparable to previous reports. The suspected cause of this inconsistency is expansion of schoolwide programs. Schoolwide programs do not explicitly identify eligible students, and many districts report most or all students in buildings with schoolwide programs as LAP or Title I participants. In 1999, 40 percent of all buildings receiving Title I funds operated a schoolwide program, six times as many as 1995. The 2001 ESEA further expands the opportunity for buildings to implement a schoolwide program.

There are no common eligibility criteria for LAP or Title I students. Districts rely on a wide array of assessment tools (mostly standardized tests) to identify students needing additional assistance. Among surveyed districts, criteria for program eligibility and exit are based on program capacity and students' return to "grade-level" performance.

Use of Funds

Approximately 90 percent of LAP and Title I resources are used to provide extra teachers and classroom aides. Districts continue to rely primarily on classroom aides for approximately 60 percent of program staffing.

Due to inconsistencies in how participants are reported, it is not possible to reliably estimate the LAP dollars spent per participating student. In 1999–2000, the median expenditure was $786, but the range was between $30 and more than $2,400 per student.

Surveyed districts rely on a blend of "in-class" and "pull-out" models of remedial assistance, with a slight tendency toward an in-class approach. In-class models include dividing the entire class into small groups with teachers, aides, or additional staff assisting students one on one in the classroom. According to surveyed districts, there is increased integration of LAP and Title I programs with the regular classroom through blending of both resources and instructional strategies. The effect of this activity is to blur distinctions between programs.

What Is Known About LAP, Title I, and Student Performance?

Statewide, student test scores are improving, with improvement occurring at a faster rate for elementary students and WASL scores improving faster than standardized test scores.

Before 1995, Title I required schools to assess program participants using pre- and post-tests. Although no longer required by Title I or OSPI, most surveyed districts continue to use pre-and post-tests to monitor performance of LAP and Title I students at a local level.

Evaluating the effect of a program at a state level, however, requires common assessments and accurate identification of students receiving LAP and Title I services. State tests include an indicator for LAP and Title I students, but inconsistencies in reporting raise questions about the reliability of these data.

Using data on test scores for a cohort of 3rd and 4th grade students in 2000 and 2001, the Institute examined how LAP and Title I may be related to student performance. Given the limitations of available statewide data, we could not draw definitive conclusions about the effect of LAP and Title I on test scores. Data identifying program participants are inconsistent; LAP and Title I make up a small proportion of overall resources; and information about such factors as teacher quality or models of program intervention is not collected at a statewide level.

Title I has shifted its focus from performance of program participants to performance of *all* students. Under the 2001 ESEA, states are required to establish targets for adequate yearly progress in improved performance so that by 2013 all students demonstrate proficiency on state learning standards. Annual tests in grades 3 through 8, required by the ESEA, will provide an opportunity for Washington to monitor student performance over time but may not improve monitoring specifically of LAP and Title I.

How Could the State Funding Formula for LAP Be Revised?

Various studies of LAP have identified concerns with the current formula:

- If test scores improve for one class of students, districts receive less LAP money to assist incoming classes. This “test effect” caused a 1 percent decrease in funding statewide between 1999–2000 and 2000–2001.
- Under state education reform, schools and districts are focused on WASL scores; yet the current LAP formula is based on standardized test scores. However, because WASL scores are improving faster than standardized test scores, basing the LAP formula on the WASL could lead to a larger test effect.
- Because approximately half (48 percent) of the variation in a district’s test scores can be explained by student poverty, recommendations have been made to base the LAP formula on poverty.

There are four questions for policymakers to address in creating a new funding formula for LAP:

1) What **objectives** is the funding formula intended to meet?
2) What **funding drivers** could implement these objectives?
3) If the formula has multiple objectives, what is the **balance** among them?
4) What type of **state oversight** will be associated with LAP dollars?

There are multiple possible objectives to be met through the allocation of LAP funds. One way to meet these objectives would be to rebuild the LAP formula using multiple tiers:

- **Base funding** that recognizes need in all districts for assistance with remediation;
- **Targeted funding** for districts with greater needs; and
- **School improvement funding** tied to accountability under state education reform.

Policymakers would need to balance the relative importance of each objective and funding driver within a new LAP formula. In other words, is it more important to distribute funds broadly to most school districts? Or is it more important to target limited resources to districts with greater needs? Any change to the formula (assuming no increase in overall funding) presents tradeoffs, because some districts gain and others lose money compared with the current formula.

Policymakers could also decide to change state oversight of the LAP program. Options include additional prescriptions for how districts use LAP money, requiring districts to report information about program outcomes rather than inputs, and eliminating the requirement that LAP funds be tracked separately from other resources.

The Institute developed three sample formulas for LAP, out of many possible variations, using different combinations of funding drivers:

- **Formula 1: Test Scores + Above Average Poverty** relies on the same funding factors as the current formula, but places a greater weight on above-average poverty. Among the three alternatives, this formula results in the least redistribution among districts compared with the current formula. Districts with significant decreases in funding compared with the current formula have below-average poverty and above-average test scores. If districts were "held harmless" for one year for loss of funding greater than 10 percent, the estimated cost would be $4 million.

- **Formula 2: Poverty + Below Average Test Scores** assumes that student poverty can predict approximately half of student test scores but relies on below-average test scores to target districts with greater needs. The formula uses standardized test scores on the assumption they will be more stable over time. Large districts are more likely to experience significant decreases in funding under this formula. To hold districts losing more than 10 percent of their LAP allocation harmless for one year would cost approximately $8 million.

- **Formula 3: Minimum Poverty Threshold** contains no base funding. Instead, it assumes that LAP dollars should be targeted only to those districts above a minimum threshold of need (assuming poverty is an appropriate indicator of need). As expected, this formula results in the greatest redistribution of funds among districts, with a $9 million estimated cost to hold districts harmless for one year for a loss greater than 10 percent of their LAP allocation.

In addition, each formula includes a small (10 to 25 percent) funding tier based on **school improvement**. This provides additional assistance to districts whose WASL scores have not improved during the previous three years, using the criteria for improvement adopted by the state Academic Achievement and Accountability (A+) Commission. To enhance accountability for effective use of these additional resources, the state could place certain expectations on districts receiving school improvement funding.

Because there are countless possible variations in the choice and relative weight of funding drivers, these formulas serve only as examples to illustrate possible tradeoffs and redistribution of funds among districts compared with the current formula.

One topic for possible future research is identification and in-depth analysis of schools and districts that are successful in improving the performance of low-achieving students. Another topic is schoolwide programs: schoolwide programs are expanding rapidly (and will continue to do so under the 2001 ESEA), but little analysis or evaluation has been done on their effectiveness.

INTRODUCTION

Background

The Learning Assistance Program (LAP) was created in 1987 to provide extra assistance for low-achieving students, although special state funding initiatives for remediation date back to 1979. LAP provides funding to school districts based on standardized test scores and above-average student eligibility for federal Free and Reduced Lunch (FRL). For the 2001–03 biennium, the state appropriated $131 million for LAP.

Several studies of LAP have been conducted in the last ten years.[2] In 1996, the state funding formula was adjusted to provide additional resources for districts with above-average poverty levels. In 1999, the Legislature added low-achieving high school students to the formula assumptions (funds had previously been allocated based only on students in elementary and middle school).

Recent changes, however, make this review of how the state provides special funds to assist low-achieving students timely:

- Although students continue to take standardized tests, the Washington Assessment of Student Learning (WASL) is now becoming the basis for holding schools and school districts accountable for improving student learning under Washington's education reform.

- In 1994, changes were made in the allocation and monitoring of federal funds for remediation from Title I of the Elementary and Secondary Education Act (Title I, ESEA). LAP and Title I have typically been nearly indistinguishable programs. Upcoming changes to Title I as a result of Congress' 2001 reauthorization of the ESEA should be examined for their potential impact on LAP.

- The 2001 Legislature created a "focused assistance program" for schools with large numbers of students not meeting state standards.[3] Participating schools are working with the Office of the Superintendent of Public Instruction (OSPI) during 2001–02 to conduct educational audits and create performance agreements and improvement plans. LAP and state accountability efforts are not currently related in any direct way.

[2] Legislative Budget Committee (now the Joint Legislative Audit and Review Committee, or JLARC), *K-12 Learning Assistance Program Fiscal Study,* Report 95-2 (Olympia, WA: JLARC, January 1995); Office of the Superintendent of Public Instruction, *Report to the Legislature on Funding and Programmatic Recommendations for the Learning Assistance Program* (Olympia, WA: OSPI, February 1999).
[3] ESSB 6153, Section 514(17), Chapter 7, Laws of 2001 2nd Special Session. The biennial appropriations act provided $2.8 million for OSPI to work with low-performing schools.

Study Purpose

The 2001 Legislature directed the Washington State Institute for Public Policy (Institute) to:

> … *examine options for revising the state's funding formula for the learning assistance program to enhance accountability for school performance in meeting education reform goals*.[4]

Because state LAP and federal Title I programs have operated in tandem for a number of years, both programs are examined. This study also describes how LAP and Title I funds are used and attempts to identify whether statewide data show a relationship between LAP, Title I, and student performance (as measured by test scores). This report focuses on the following questions:

I. **How Do LAP and Title I Compare?**

II. **How Are LAP and Title I Funds Allocated?**

III. **How Are LAP and Title I Funds Spent?**

IV. **What Is Known About LAP, Title I, and Student Performance?**

V. **How Could the State Funding Formula for LAP Be Revised?**

Study Methods

The Institute relied primarily on state-level data from OSPI to conduct the analyses presented in this report.[5] The major sources of information include the following:

- LAP and Title I year-end reports for 1995–96 through 1999–2000, which include district-reported enrollments, staffing, and allocation of funds to school buildings.
- Data files for all districts and school buildings containing headcount and full-time equivalent (FTE) student enrollment, student enrollment in federal Free and Reduced Lunch (FRL) programs, and test scores (Iowa Test of Basic Skills [ITBS] and WASL) for 1995–96 through 1999–2000.
- Individual student test scores for a cohort of students: 2000 ITBS Grade 3 and 2001 WASL Grade 4.

In addition, the Institute contracted with the Social and Economic Sciences Research Center (SESRC) of Washington State University for a telephone survey of school district LAP/Title I Program Directors.[6] Survey questions were field-tested and supplemented with on-site interviews and classroom observations in the Spokane and Seattle school districts.

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[4] ESSB 6153, Section 608(4), Chapter 7, Laws of 2001 2nd Special Session (2001–03 Biennial Appropriations Act).

[5] Results from various statistical analyses are published in a separate technical appendix.

[6] Fifty school districts were contacted, and SESRC conducted 45 minute to one hour-long interviews with 38 LAP/Title I Directors. For additional information on the survey, see Appendix A.

I. How Do LAP and Title I Compare?

This section describes LAP and Title I, including relevant changes in Title I as a result of the 2001 reauthorization of the federal Elementary and Secondary Education Act (ESEA).

State LAP and federal Title I programs have similar objectives: to provide additional resources for remediation of students who are academically at risk.

There are, however, differences between the programs. LAP dollars are allocated to school districts largely based on standardized test scores, while Title I dollars are allocated entirely based on student poverty. Annual funds from Title I have averaged approximately 40 percent more than state funds for LAP. Implementation of the two programs also differs. LAP uses a targeted assistance approach to remediation, which rank-orders students based on their performance (ensuring those most in need of additional instruction are served). Title I uses either a targeted assistance model or a schoolwide model that allows higher poverty schools to undertake a comprehensive reform of the entire school and provide services on a flexible basis, without a list of eligible students. The Office of the Superintendent of Public Instruction permits buildings with Title I schoolwide programs to use their LAP dollars in a similar fashion.

Since 1994, accountability in Title I has focused on improved performance for all students (not just program participants). State accountability efforts under Washington's education reform are aligned with Title I but are not related to LAP in any direct way.

State and Federal Remediation in Washington

Exhibit 1 illustrates similarities and differences between LAP and Title I according to their purpose, level of funding, basis for allocation of funding, target population of students, and approach to accountability. School districts have long operated the two programs in tandem, using similar instructional strategies and targeting similar students.[7] Additional detail is provided in the sections that follow.

[7] JLARC, *K-12 Learning Assistance Program,* 8.

Exhibit 1
Summary Comparison of LAP and Title I

	LAP	Title I
Purpose	Enhance education for students deficient in basic skills achievement.	Ensure equal educational opportunity for children regardless of socioeconomic background.
Level of Funding	$74 million for 2000–2001	$113 million for 2000–2001
Basis for Allocation	93 percent on low test scores 7 percent on above-average poverty (Free and Reduced Lunch) Districts have discretion in allocating funds to school buildings.	100 percent on poverty (Census estimates) Districts must target school buildings with higher concentrations of poverty.
Target Population	Students at greatest risk of not meeting state standards, determined by multiple measures selected by district.	Targeted Assistance Programs: Students at greatest risk of not meeting state standards, determined by multiple measures selected by district. Schoolwide Programs: Higher poverty buildings develop plan to improve performance of all students in the school.
Accountability *Items in italics are part of Washington's education reform but are not directly related to LAP.*	Fiscal auditing requirements. *State standards and assessments to improve performance of all students.* *State-established performance goals and benchmarks. Technical assistance to schools not meeting school improvement criteria.*	Fiscal auditing requirements. State standards and assessments to improve performance of all students. State-established performance goals and benchmarks. Technical assistance to schools not meeting adequate yearly progress.

LAP and Title I have slightly different purposes. According to state statute, LAP is intended to "enhance educational opportunities for public school students who are deficient in basic skills achievement."[8] LAP funds were originally provided based on students in grades K through 9, but, in 1999, the Legislature increased funding assuming districts would serve students in grades 10 and 11.

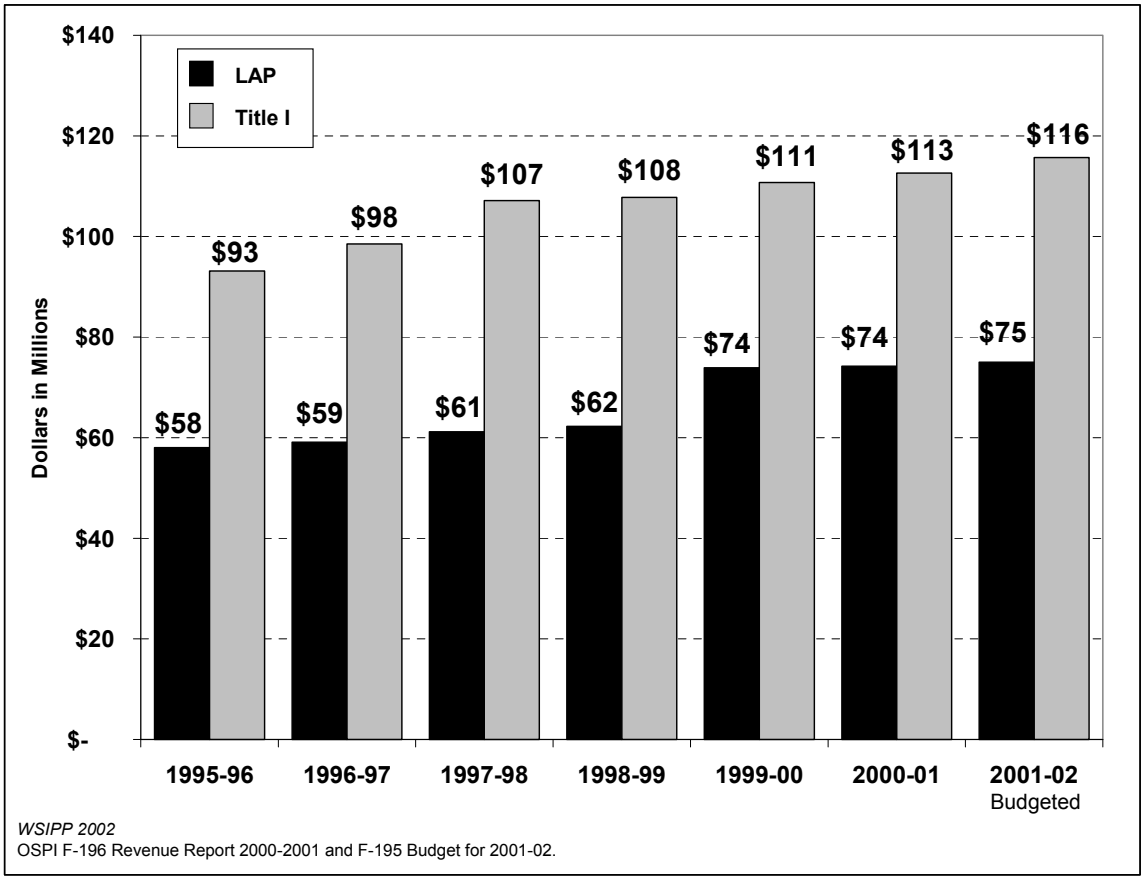
The federal Title I program originated in 1965 and was intended to ensure equal educational opportunity for children regardless of socioeconomic background and to close the

[8] RCW 28A.165.012.

achievement gap between poor and affluent children.[9] Students in grades Pre-K through 12 are eligible for Title I assistance, and funds are also provided for private school students.[10]

Annual federal funds from Title I have averaged approximately 40 percent more than state funds from LAP (see Exhibit 2). Under the 2001 ESEA, Title I funds are expected to increase to $137 million for the 2002–03 school year.[11] On a statewide average, LAP and Title I together represent 3 percent of all state and federal revenue to Washington's public schools.[12]

Exhibit 2
LAP and Title I: Statewide Revenue
1995–96 to 2001–02 School Years



WSIPP 2002
OSPI F-196 Revenue Report 2000-2001 and F-195 Budget for 2001-02.

[9] U.S. Department of Education, *High Standards for All Students: A Report From the National Assessment of Title I on Progress and Challenges Since the 1994 Reauthorization* (Washington, D.C.: U.S. Department of Education, January 2001), 2.
[10] Title I consists of a number of different federal programs, but 90 percent of the funds are distributed as "Part A – Grants to Local Education Agencies." In this report, Title I refers to Part A grants.
[11] Office of the Superintendent of Public Instruction, *Preliminary Federal ESEA Allocations to School Districts,* <http://www.k12.wa.us/safs>, Posted March 27, 2002.
[12] Office of the Superintendent of Public Instruction, *School District Financial Reporting Summary: 2000-01 School Year,* (Olympia, WA: OSPI, April 2002).

LAP funds are allocated to school districts based on test scores and above-average student poverty. The state funding formula for LAP allocates money using two factors: (1) the proportion of students scoring in the lowest quartile on state standardized tests, and (2) above-average student poverty, as measured by student enrollment in federal Free and Reduced Lunch (FRL) programs. The formula multiplies these factors by the student full-time equivalent (FTE) enrollment in each district and generates an estimated number of "units" of service. Unit costs are based on assumptions about providing salaries and benefits for school staff.

Funding for LAP is not static: when test scores, poverty, or enrollment changes, the amount of a district's allocation changes, along with the overall state appropriation. The complete LAP formula is contained in Appendix B.

Exhibit 3 shows the formula results for 2000–2001, using a unit cost of $418.27.[13] Ninety-three percent of LAP funds are allocated based on test scores and 7 percent on poverty. However, the funding formula for LAP is used for allocation purposes only. Districts have discretion to decide which school buildings receive LAP money and how much.

Exhibit 3
LAP Allocation by Funding Factor: 2000–2001

	Test Scores				Total
	Elementary	Middle	High	Poverty	All Factors
Total Allocation ($ in millions)	$39	$18	$12	$5	$74
Percent of Total Allocation	53%	24%	16%	7%	100%

OSPI 1191 Final Apportionment Summary 2000-01

Title I funds are allocated entirely based on poverty. The U.S. Bureau of the Census has created a statistical model to estimate the number of school-age children (aged 5 to 17) in each school district who meet the federal definition of poverty.[14] The Census Bureau combines data from several sources, including the decennial census, Current Population Survey, income tax returns, food stamp records, and county population estimates. The estimate is updated every two years, but there is a lag of approximately five years between the data collection and the estimate.[15]

Title I also dictates which buildings may receive money and, to some extent, how much. National evaluations conducted prior to the 1994 reauthorization of the ESEA

[13] On a per-pupil basis, $418.27 provides an additional 11 percent to supplement basic education funds, which for 2000–2001 averaged $3,949.57 across all districts. Office of Superintendent of Public Instruction, *Financial Reporting Summary: 2000-2001,* <http://www.k12.wa.us/safs/PUB/FIN/0001/SDRev.PDF>, May 2002.
[14] A larger number of children are eligible for Free and Reduced Lunch than meet the federal definition of poverty. To be eligible for Free lunch, families must fall under 130 percent of the federal poverty level; Reduced lunch is for families between 130 and 185 percent of the federal poverty level.
[15] Constance Citro et al., eds, *Small-Area Estimates of School-Age Children in Poverty*, (Washington, D.C.: National Academy Press, 1998), <http://bob.nap.edu/html/smae2>, May 2002.

revealed that not only did poor students have lower average achievement, but that low student achievement was exacerbated in schools with high concentrations of poor students.[16] Therefore, Congress directed school districts to target Title I funding at buildings with higher concentrations of poverty. Building-level poverty is estimated using numbers of FRL-eligible students.[17]

State statute gives school districts latitude in determining which students to assist using LAP dollars. Districts are encouraged to place special emphasis on addressing the needs of students in the early grades and make efficient use of resources to meet the needs of students with the greatest academic deficits.[18] The Office of the Superintendent of Public Instruction (OSPI) administrative rules further expect LAP students to have the greatest risk of not meeting state learning standards.[19] Districts are expected to identify students who are performing below grade level on basic skills using multiple, objective measures of student achievement.[20]

The target population for Title I services is the same as LAP: students most at risk of failing to meet state learning standards. There are two types of Title I programs:

- ***Targeted Assistance Programs.*** Students are assessed using multiple, objective measures chosen by the district and then **rank-ordered based on their performance** to ensure those most in need of additional instruction are served first.[21] Title I targeted assistance programs bear the most resemblance to LAP.

- ***Schoolwide Programs.*** The premise behind Title I schoolwide programs is that high poverty schools cannot adequately improve student achievement with a separate program for low-achieving students but need to **undertake a comprehensive planning effort to reform the entire school**.[22] In schoolwide programs, there is no list of "Title I-eligible" students; any student can receive additional tutoring or consultation.[23] Schoolwide programs may also combine Title I funds with other resources.[24]

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[16] U.S. Department of Education, Planning and Evaluation Service, *The Longitudinal Evaluation of School Change and Performance in Title I Schools, Executive Summary* (Washington, D.C.: U.S. Department of Education, 2001), 9-10.
[17] U.S. Department of Education, *Policy Guidance for Title I, Part A: LEA Identification and Selection of School Attendance Areas and Allocation of Title I Funds to School Attendance Areas and Schools* (April 1996), <http://www.ed.gov/legislation/ESEA/Title_I/attend.html>, May 2002.
[18] RCW 28A.165.040 and 050.
[19] WAC 392-162-080.
[20] WAC 392-162-025, 040, and 080. For more information on how districts select LAP students, see Section III.
[21] U.S. Department of Education, *Title I, Part A Policy Guidance: Targeted Assistance Schools* (Washington, D.C.: U.S. Department of Education, April 1996), 2.
[22] U.S. Department of Education, *Title I,* 2-5.
[23] Schools are still expected to ensure they are helping students most in need.
[24] Federal funds for bilingual education, vocational education, and professional development may be blended with Title I in a schoolwide program. Funds from the Individuals with Disabilities Education Act (IDEA) for special education must still be monitored separately. State statute and rule do not address a schoolwide approach for LAP; however, OSPI policy allows schools that operate schoolwide programs under Title I to serve LAP students in a similar fashion. OSPI, "Combining Funds in Title I Schoolwide Programs," Bulletin No. 13-01 (Olympia, WA: OSPI, June 5, 2001).

To operate a schoolwide program, a building must have at least 50 percent of students in poverty and develop a comprehensive plan for how it will improve instructional strategies, professional development, and parent involvement. The 2001 ESEA expanded the schoolwide program option to include buildings with at least 40 percent poverty.

Current monitoring of LAP by OSPI is largely driven by Title I and fiscal auditing requirements.[25] LAP is considered a categorical funding program, which means districts must be able to show that LAP funds are expended to assist LAP students. Title I targeted assistance programs must show they are serving students in rank order based on academic need and not substitute (supplant) federal funds for state funds.[26] All schools complete a LAP and Title I plan that describes their assessments and criteria for identifying students, instructional strategies, and professional development. Plans are kept on file by the district.

The 1994 ESEA reauthorization dramatically changed accountability for Title I to focus on performance of all students, not just program participants. Prior to 1995, districts were expected to conduct pre- and post-tests with Title I students as a way to monitor program effectiveness. After 1995, rather than establish performance expectations for Title I as a separate program, Congress expected states to develop standards and assessment systems to monitor and improve the performance of *all* students.[27] The 1994 ESEA expected states to assess student performance at least once in elementary, middle, and high school by 2000. The 2001 ESEA calls for annual assessments in grades 3 through 8 in reading and math by 2005.[28]

States are also required to define performance goals and provide technical assistance to schools that do not demonstrate adequate yearly progress in meeting those goals. The 2001 ESEA expects states to define adequate yearly progress so that all students reach proficiency on state standards in 12 years (2013–14).

In Washington, OSPI is using the same performance goals and benchmarks for accountability under state education reform and Title I accountability. Washington's education reform has three components: state learning standards (Essential Academic Learning Requirements or EALRs), statewide performance assessments (Washington Assessment of Student Learning or WASL), and accountability for schools and school districts to ensure overall improvement in student learning. The Academic Achievement and Accountability (A+) Commission is charged with setting goals for learning improvement.[29]

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[25] Telephone interview with Barbara Colburn, OSPI LAP Program Director, September 2001.

[26] According to the OSPI LAP Program Director, districts are encouraged, but not legally required, to rank-order LAP students because this practice enables the district to demonstrate it is serving students most in need for program monitoring and audit purposes.

[27] U.S. Department of Education, *Assessment Requirements Under Title I of the Elementary and Secondary Education Act* (Spring 1996), < http://www.ed.gov/pubs/IASA/newsletters/assess/pt2.html>, May 2002.

[28] The requirement to test high school students at least once remains from the 1994 law.

[29] The A+ Commission has nine members appointed by the Governor and provides oversight for the accountability component of Washington's education reform. The A+ Commission has adopted three-year performance improvement goals for WASL scores in reading and math, as well as criteria for identifying elementary and middle schools that are having difficulty improving student performance. A copy of the A+ criteria for identifying schools having difficulty improving is included in Appendix C.

The 2001 Legislature appropriated $2.4 million to provide assistance to schools determined to be having difficulty improving student performance, based on criteria developed by the A+ Commission. For the 2001–02 and 2002–03 school years, OSPI combined these state funds with approximately $3 million in Title I funds to assist 25 schools (see inset below).

Washington's Comprehensive School Improvement Assistance System: 2001–03

In November 2001, OSPI selected nine elementary and 16 middle/junior high schools to participate in the school improvement system (out of 47 schools originally invited) because they were not making progress in meeting performance improvement goals. The system has the following components:

- **School Improvement Facilitator and Improvement Teams:** One of 21 OSPI-retained facilitators works with a team from the school, districts, ESD, parents, and community to identify needs and prepare and implement a performance agreement between the district and OSPI.
- **Educational Audit:** The facilitator, improvement team, and an external review group examine the school's assessment results, allocation of instructional and financial resources, parent involvement, and support from the district office to identify areas for improvement.
- **School Improvement Plan and Performance Agreement:** Based on the audit and input from the community, the team develops a school improvement plan. The plan forms the basis of a performance agreement that outlines specific actions to be taken by the school, district, and OSPI, as well as benchmarks to measure improvement. Agreements are expected to be completed by June 2002 and implemented over the next two years.
- **Training and Additional Resources:** OSPI has offered workshops and training for members of improvement teams and other instructional leaders in each school. Supplemental resources to help a school accomplish a specific goal (such as staff development, planning time, or a new program) may be part of the performance agreement, but it was not known at the time of this report what resources schools will use.

Remediation in Other States

At least 17 states fund programs similar to LAP. The Institute conducted a 50-state survey via e-mail and telephone to determine the extent other states fund programs similar to LAP. Sixteen of the 39 states that responded (plus Washington) allocate state funds for programs to assist low-achieving students. States are more likely to base funding allocation on test scores (nine states) than on indicators of poverty (five states). Georgia and Washington are the only states that combine both factors in creating a funding formula. Most states are similar to Washington in that school districts have broad discretion in identifying which students will receive services, based on general state expectations. Additional information about remedial education in other states is in Appendix D.

Summary: Comparison of LAP and Title I

- State LAP and federal Title I programs have **similar objectives: to provide additional resources for remediation of students who are academically at risk**.

- **LAP** dollars are allocated to school districts based on **standardized test scores (93 percent) and above-average student poverty (7 percent)**. **Title I** dollars are allocated based on **student poverty**.

- Annual funds from Title I have averaged approximately 40 percent more than state funds for LAP. For **2000–2001**, revenue for school districts from **LAP was $74 million compared with $113 million from Title I.**

- There are two types of Title I programs: **targeted assistance programs, where students are rank-ordered** based on their performance to ensure those most in need of additional instruction are served, and **schoolwide programs,** where higher poverty schools undertake a **comprehensive reform** of the entire school and **services are provided on a flexible basis** without a list of eligible students.

- Since 1994, **accountability in Title I has focused on improved performance for all students** (not just program participants). State accountability efforts under Washington's education reform are aligned with Title I, but not related to LAP in any direct way.

II. How Are LAP and Title I Funds Allocated?

This section examines the allocation of LAP and Title I funds from the state to districts and from districts to school buildings. In particular, we examine how districts prioritize and coordinate resources.

More than 90 percent of districts and 70 percent of school buildings receive funding from LAP or Title I or both.

Districts prioritize their allocation of LAP and Title I resources based on two criteria: early intervention (most money goes to elementary schools) and student poverty (the strongest predictor of the amount of an elementary school's allocation is the percentage of students eligible for federal Free and Reduced Lunch).

Most districts use LAP as a supplement to Title I funds for elementary schools. Either all elementary buildings in the district receive LAP funds or LAP fills in for those buildings not eligible for Title I. Relatively few districts prioritize to the extent that some elementary schools receive no LAP or Title I enhancements.

Allocation From the State to Districts

Nearly every school district receives LAP and/or Title I funds. Only 11 of 296 school districts received neither LAP nor Title I revenue in 1999–2000. Total student enrollment in these districts was only 287 according to the October 1999 headcount. An additional nine districts received funding from LAP but not Title I. Enrollment in seven of these districts totaled 861 students. Two of the districts were larger: Hockinson (1,320 students) and Issaquah (13,846 students).

Allocation From Districts to School Buildings

Nearly three-quarters of the state's school buildings receive LAP and/or Title I allocations.[30] Exhibit 4 shows most school buildings in the state receive LAP and Title I funds. Nearly 90 percent of elementary schools receive funding from one or both programs.

[30] OSPI asks districts to report LAP and Title I allocations by building in their program year-end reports. The Institute analyzed information provided by 272 districts but cannot verify its accuracy because the figures are not associated with OSPI's budget and accounting system (which operates at a district level).

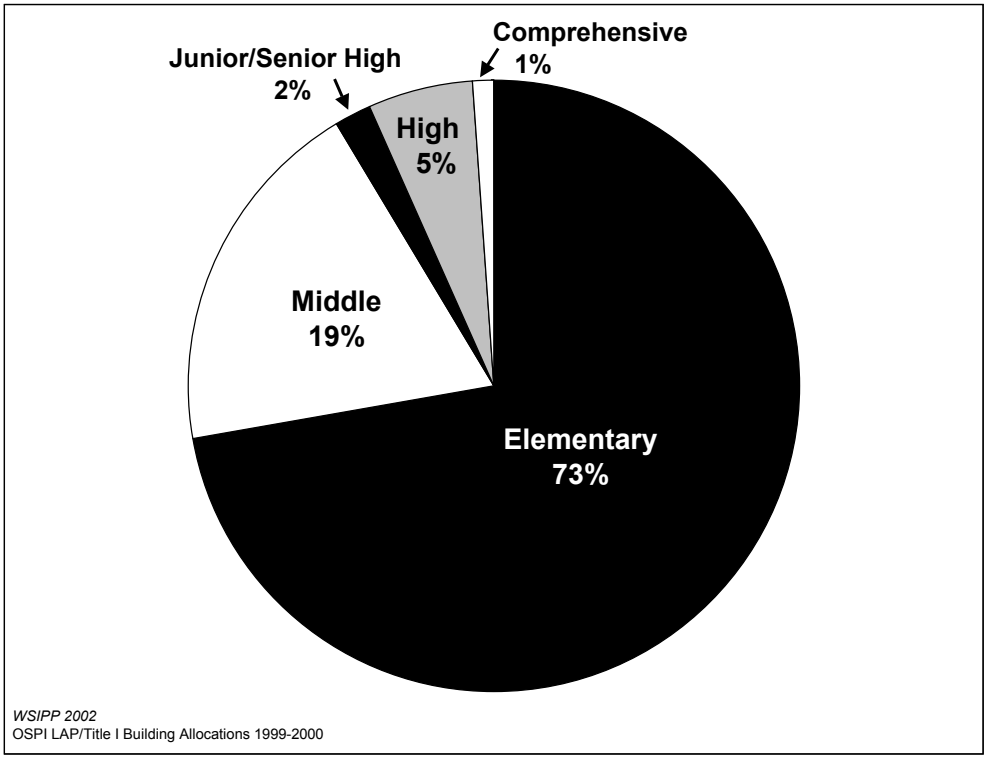
Exhibit 4
School Buildings Receiving LAP and/or Title I Funds: 1999–2000

Grade Span	Number of Buildings	Received LAP		Received LAP and/or Title I	
		Number	Percent	Number	Percent
Elementary (Includes K-8 buildings)	1,148	834	73%	1,019	89%
Middle or Junior High	337	215	64%	234	69%
Junior/Senior High	131	35	27%	38	29%
High	351	101	29%	126	36%
Comprehensive (K–12 in one building)	51	26	51%	30	59%
Total Buildings	**2,018**	**1,211**	**60%**	**1,447**	**72%**

OSPI LAP/Title I Building Allocations 1999-00 and Information Note for Washington Public Schools, February 7, 2000.

Districts prioritize LAP and Title I resources to elementary buildings. As Exhibit 5 shows, 73 percent of the LAP building allocations went to elementary schools in 1999–2000. For Title I, districts directed 84 percent of the building allocations to elementary schools.

Exhibit 5
LAP Building Allocations by Grade Span: 1999–2000



Furthermore, 89 percent of the reporting school districts provide LAP or Title I funding for *all* elementary schools in the district (half of these districts only had one elementary school). Almost three-quarters (74 percent) of the districts provide funding for all middle or junior high schools in the district.

Surveyed districts rely more on poverty factors than on test scores in allocating LAP funds to buildings. Among the 38 districts surveyed by the Institute, more than half (20 of 38) reported allocating LAP funding to buildings based on a per-student amount for each FRL-eligible student in the building, just as Title I funds are allocated (see Exhibit 6). Six of these districts take advantage of fewer restrictions associated with LAP and adjust the final building allocation to ensure minimum staffing levels within a building or resources necessary to offer a particular program model.

Only six districts use test scores as the primary basis for allocation, including those that estimate the number of low-achieving students and then determine the resources a building needs to offer a program. Seven use a composite of factors in making decisions, including test scores, staffing levels, poverty indicators, bilingual students, etc. Only one district bases building allocations on the number of students in the building with no particular prioritization for low-achieving or poor students.

Exhibit 6
Basis for Allocation of LAP Funds to Buildings

Allocation Basis	Surveyed Districts	
	Number	Percent
Poverty	14	37%
Poverty, Adjusted for Staffing Needs	6	16%
Test Scores	6	16%
Composite of Factors	7	18%
Building Enrollment	1	3%
Not Applicable (Allocation to 1 building)	4	10%
Total	38	100%

WSIPP LAP/Title I Survey

Coordination Among Programs

Nearly half of school buildings received funding from both LAP and Title I. State statute encourages school districts to coordinate funds from federal, state, and local sources to serve low-achieving students and make efficient use of those resources.[31] In 1999–2000, districts decided to combine LAP and Title I dollars in 48 percent of buildings that received allocations. If only one fund source was provided, it was more likely to be LAP: 34 percent of buildings received only LAP compared with 17 percent of buildings with only Title I.

[31] RCW 28A.165.050.

Where a pattern of coordination can be identified, most districts use LAP funds as a supplement to Title I funds in elementary schools. The Institute examined the 1999–2000 LAP and Title I allocations to elementary buildings to identify any patterns in districts' priorities of which funds would be used or how they would be combined. Districts not receiving funds from both sources and those with fewer than three elementary schools were excluded from the analysis, leaving 102 school districts.[32]

Four allocation patterns to elementary schools were identified among the districts examined (see Exhibit 7):

- ***LAP Fills in After Title I.*** The most common pattern is for districts to allocate Title I funds to eligible schools (based on federal poverty criteria) and then use LAP funds for the remaining elementary schools in the district.[33] With few exceptions, buildings receive money from one source or the other, but not both.[34]

- ***LAP Goes to All Buildings.*** One-fourth of the districts allocated Title I funds only to eligible buildings but LAP funds to all elementary schools. In this way, all schools receive additional resources, but higher poverty schools receive priority because they receive money from both sources.

- ***All Buildings Receive Both LAP and Title I.*** A number of smaller districts allocate funding from both sources to all of their elementary schools.

- ***LAP and Title I Targeted to Higher Poverty Schools.*** Relatively few districts concentrate state and federal resources in only certain schools rather than distributing funds broadly across the district. The criteria for prioritizing among schools is building poverty: schools with higher poverty receive the most resources. Some schools with lower poverty receive only LAP dollars, and some schools receive no additional resources.

  For an example of this allocation pattern, see the inset below about the Spokane School District.

[32] Sixteen districts not receiving both LAP and Title I funds were excluded from the analysis, as were 177 districts with fewer than three elementary schools, because of the difficulty in identifying a pattern among so few schools. Together, these excluded districts enrolled only 7 percent of elementary school students.
[33] Just under half of surveyed districts (18 of 38) reported LAP funds enabled them to serve additional buildings that would not otherwise receive remediation funds from Title I.
[34] Slightly more than half these districts combined LAP and Title I funds only in one or two buildings, possibly in order to provide minimum staffing for a program after Title I funds had been exhausted.

Exhibit 7

How Districts Coordinate LAP and Title I Funds to Elementary Schools

Pattern of Allocation	Percent of Districts (N=102)	Percent of Elementary Students
LAP Fills in After Title I	34%	75%
LAP Goes to All Buildings	25%	12%
All Buildings Receive Both LAP and Title I	23%	4%
LAP and Title I Targeted to Higher Poverty Schools	18%	10%

OSPI LAP and Title I Year-End Reports, 1999-00

Example of Coordinating and Prioritizing LAP and Title I: Spokane School District

For the 2001–02 school year, the Spokane School District was budgeted to receive approximately $2.5 million in LAP funds and $6 million from Title I. Spokane makes allocation decisions based on three priorities:

- **Support the district's program model.** Spokane's model for providing LAP and Title I services involves professional development facilitators deployed from the district to each participating school. Funding to support the facilitators (approximately 30 percent of the total) is reserved at the district level.

- **Focus on early intervention.** Title I dollars are focused on enhancing instruction in grades K–2. One middle school with greater than 75 percent poverty must be funded under Title I regulations. LAP dollars are split, with 75 percent going to elementary schools and 25 percent to secondary schools (including one high school). In buildings that receive both LAP and Title I, LAP resources are generally targeted at grades 3 and 4.

- **Dedicate more resources to higher poverty schools.** All elementary schools are rank-ordered based on building poverty. For 2001–02, schools with more than 75 percent Free and Reduced Lunch (FRL) received Title I funds only. Then the allocation committee continued down the list of schools, providing a combination of Title I and LAP until Title I resources were exhausted. Thereafter, the allocation continued using only LAP funds. The allocation stops at a threshold that supports a minimum program in the school.

  A building's total allocation (regardless of source) is based on an amount of money per FRL student. The per-student amount has a sliding scale based on building poverty. For 2001–02, the school with the highest poverty level (90 percent) received $858 per FRL student. The smallest per-student amount was $231. Spokane's allocation system does not guarantee Title I or LAP money to every elementary school. For 2001–02, 22 elementary schools received funding; 13 did not. Schools not receiving funding had fewer than 50 percent FRL students. The district average is 44 percent.

Poverty is the strongest predictor of how much additional money elementary schools received for remediation. The Institute examined allocations to elementary schools for 1999–2000 (from year-end reports submitted to OSPI) to identify what factors determine the total amount of money a building received for remediation, whether from LAP, Title I, or both sources combined.[35] Although Title I requires districts to allocate a higher amount per student to buildings with higher rates of student poverty, there is no such requirement in LAP.[36]

We found that poverty is the strongest predictor of the amount of money for remediation received by an elementary building.[37] The percentage of FRL-eligible students in a building explains more than half (54 percent) of the variation in total allocations among buildings. The proportion of students in the building who scored in the lowest quartile on the 3rd grade standardized test (e.g., the primary state funding driver for LAP) is a statistically significant but weak factor in predicting the amount of money a building received, explaining less than 1 percent of the additional variation in LAP and Title I dollars among buildings once poverty has been taken into account.[38]

Summary: Allocation of Funds

- There is a **broad distribution** of both LAP and Title I funds to school districts and school buildings in the state. That is, more than 90 percent of districts and 70 percent of buildings receive funding from one or both sources.

- **Districts prioritize their allocation** of LAP and Title I resources to buildings based on two criteria:
  - **Early intervention:** More than 70 percent of funding is allocated to elementary schools, and nearly 90 percent of elementary schools in the state are funded.
  - **Student poverty:** Most surveyed districts rely on poverty factors in allocation decisions for LAP funds, even though the state allocates funds to districts based primarily on test scores. The strongest predictor of the amount of an elementary building's LAP and Title I allocation is the percentage of FRL-eligible students.

- Where a pattern of coordination can be identified, most districts use **LAP funds as a supplement to Title I funds**. Either all elementary buildings in the district receive LAP funds, or LAP fills in for remaining buildings not eligible for Title I. Relatively few districts prioritize to the extent that some elementary schools receive no LAP or Title I enhancements.

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[35] As with the earlier analysis, we included only buildings in districts with at least three elementary schools for those districts receiving both LAP and Title I dollars. The analysis covered 804 elementary schools in the state.

[36] Among the 20 surveyed districts that identified poverty as a primary criteria for allocating LAP funds to buildings, only five mentioned following this Title I requirement.

[37] Technical Appendix I shows the statistical results from this analysis.

[38] There is a strong association between building poverty and building test scores: approximately 50 percent of a building's test scores can be explained by the percentage of poverty in the building. However, when poverty was left out of the predictive model, the percentage of students in the lowest quartile was still not as strong a predictor of LAP and Title I dollars as poverty.

III. How Are LAP and Title I Funds Spent?

This section examines two aspects of how districts spend LAP and Title I resources: (1) which students are served, and (2) how funds are used.

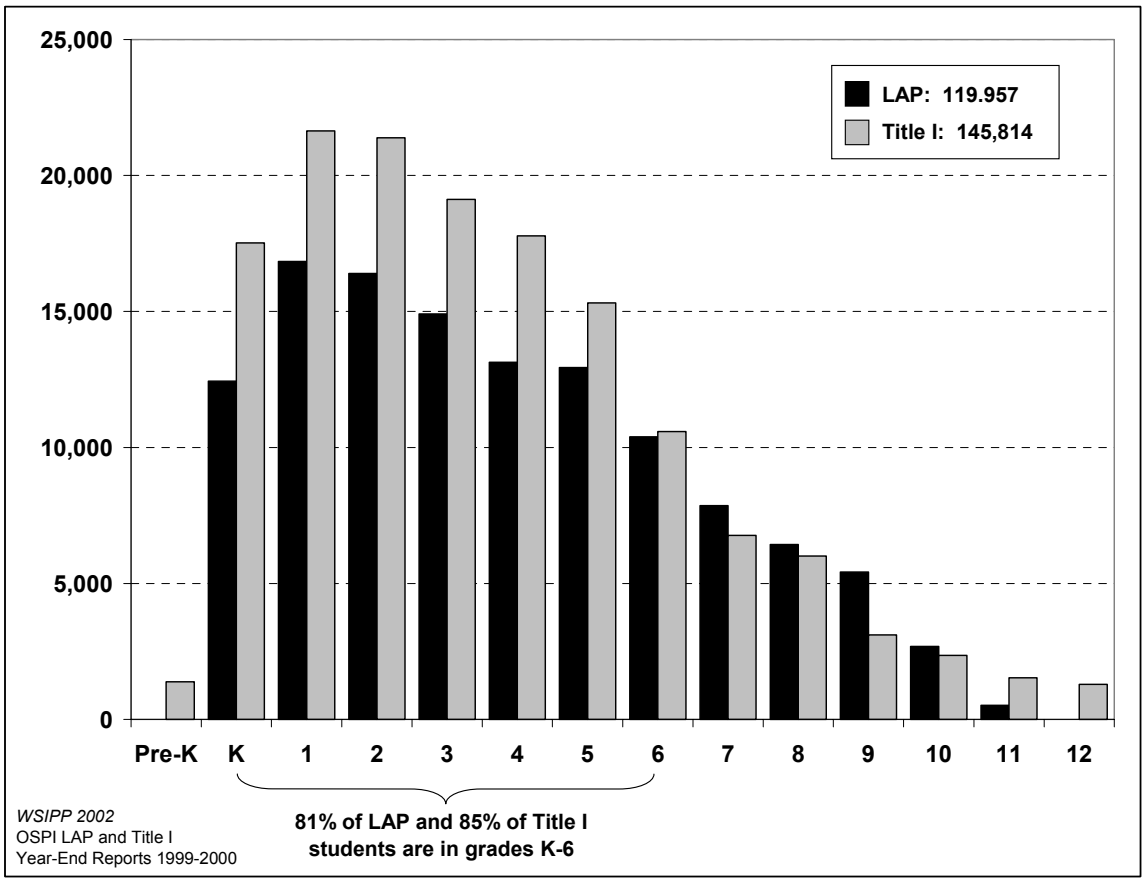
More than 80 percent of LAP or Title I students are in grades K–6. Districts report dramatic increases in the number of LAP and Title I students over the last five years. However, current reports on participation are not comparable to previous reports. The suspected reason for the inconsistency is expansion of schoolwide programs. There is evidence that districts report most or all students in buildings with schoolwide programs as LAP and Title I participants. There were six times as many schoolwide programs in 1999 compared with 1995.

Approximately 90 percent of LAP and Title I resources support extra teachers and classroom aides. Districts continue to rely primarily on classroom aides (roughly 60 percent of assigned staff). Surveyed districts use a blend of in-class and pull-out models of remedial assistance, with a slight tendency toward an in-class approach. Increased integration of LAP and Title I programs within the regular classroom is a trend over the last five years, through blending of both resources and instruction. The effect of this activity is to blur distinctions among programs.

Students Served: Participation

Districts focus LAP and Title I on elementary students. Given that districts prioritize funding at the elementary level, it is no surprise that most LAP and Title I students are in elementary school. As Exhibit 8 shows, districts reported that 81 percent of LAP students and 85 percent of Title I students were in grades K–6 for 1999–2000. Districts reported nearly 120,000 students receiving extra assistance from LAP and 146,000 students from Title I. Because we found duplication between programs, we could not add the numbers of LAP and Title I participants together for an estimate of total participation in remediation programs.

Exhibit 8
Student Participation in LAP and Title I by Grade Level: 1999–2000

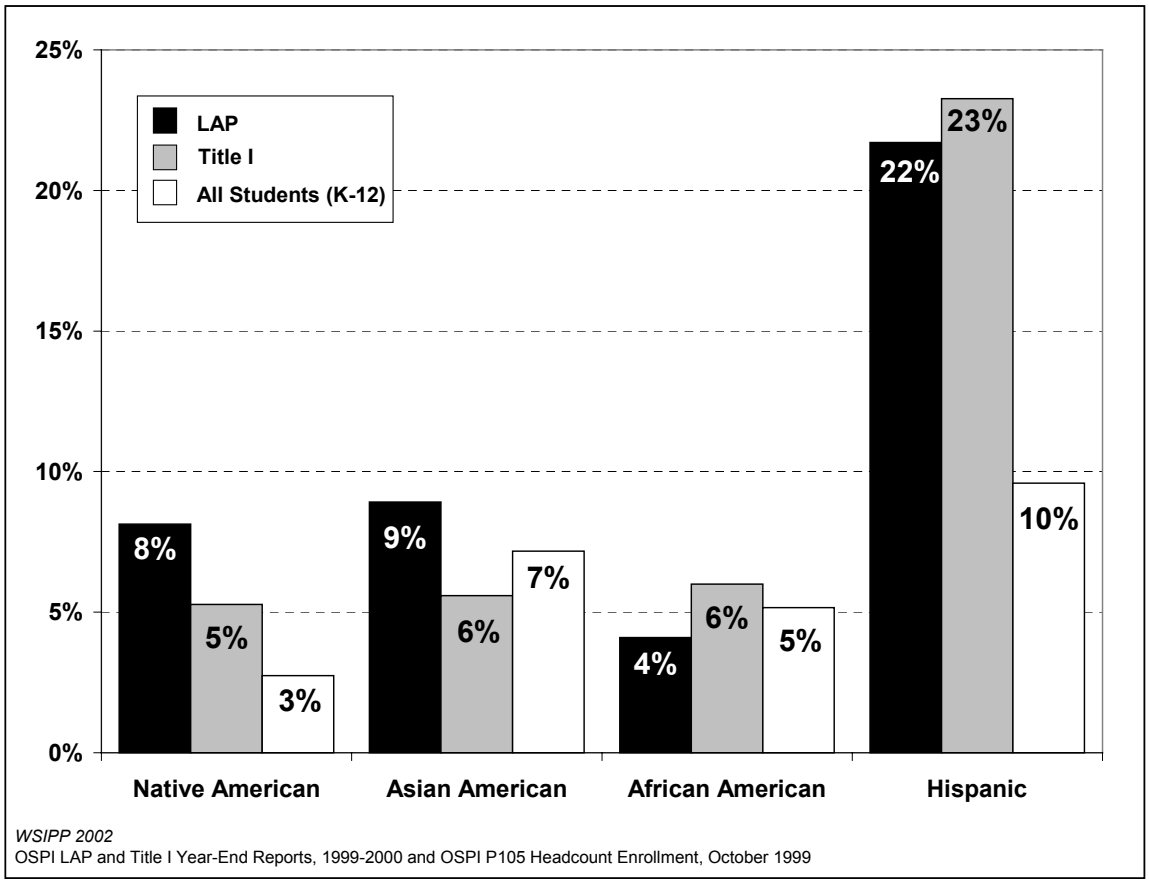


The focus on elementary students has changed little since 1995. The only shift is a slightly higher proportion of high school students (grades 9–12) reported in 1999 (7 percent of LAP participation and 6 percent of Title I participation, up from 4 percent in both programs in 1995).

The proportion of minority students in LAP and Title I is higher than in the overall student population. Districts reported 43 percent of LAP students and 40 percent of Title I students as minority students in 1999–2000. Among all K–12 students in 1999, 25 percent were minorities. Exhibit 9 shows Hispanic and Native American students are the most over-represented minority groups.[39]

[39] All differences illustrated in Exhibit 9 between the representation of a minority group in the overall student population and their representation as LAP or Title I participants are statistically significant.

Exhibit 9
Minority Students in LAP and Title I Compared With Overall Enrollment: 1999–2000



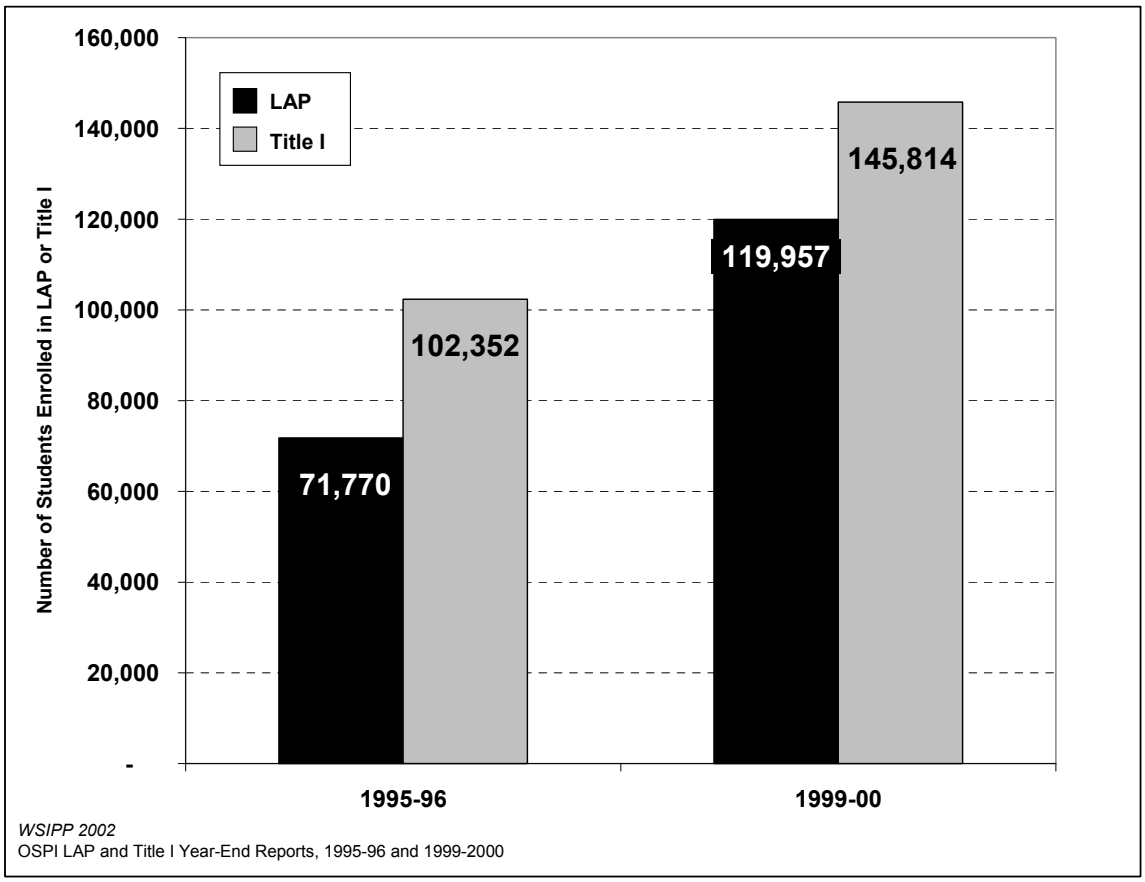
WSIPP 2002
OSPI LAP and Title I Year-End Reports, 1999-2000 and OSPI P105 Headcount Enrollment, October 1999

A significant proportion of bilingual students are served by Title I. School districts can provide assistance through LAP or Title I to students who are struggling academically due to limited English proficiency and who are also receiving services from the state bilingual program. In 1999–2000, data from 167 school districts showed almost half (46 percent) of all reported bilingual students in those districts were served in Title I.[40] OSPI does not collect information on bilingual students in LAP.

Districts reported a significant increase in LAP and Title I students between 1995 and 1999. In year-end reports submitted to OSPI, districts reported nearly 72,000 LAP students in 1995 and nearly 120,000 in 1999: a 67 percent increase over five years (see Exhibit 10). Reported participation in Title I grew by 42 percent over the same time period.

[40] This analysis compares reported Title I bilingual enrollment (30,046 students) with state bilingual program enrollment (65,336 students) in the 167 districts reporting. OSPI, *Educating Limited-English Proficient Students In Washington State* (Olympia, WA: OSPI, December 2000).

Exhibit 10
Student Participation in LAP and Title I: 1995 and 1999



WSIPP 2002
OSPI LAP and Title I Year-End Reports, 1995-96 and 1999-2000

However, many districts reported a very high proportion of students as LAP and Title I participants. As illustrated above, the year-end reports from school districts show a dramatic increase in the number of students in LAP and Title I between 1995 and 1999. This occurred during a time when funding for LAP grew only 28 percent (19 percent for Title I), and overall enrollment in grades K–6 grew only 2 percent.[41] If the 1999 figures are correct, nearly one-fifth of all elementary students were in LAP, and one-fourth were in Title I.

Further analysis of the data, however, shows many districts reporting a surprisingly high proportion of their overall elementary enrollment being served by Title I or LAP. As Exhibit 11 shows, 38 districts reported more than 50 percent of their elementary students in LAP as did 71 districts for Title I. These districts are not merely outliers: they represent more than one-third of all reported enrollment in LAP or Title I.

[41] Office of the Superintendent of Public Instruction, *P105 Headcount*, *October 1995 and 1999*, (Olympia, WA: OSPI).

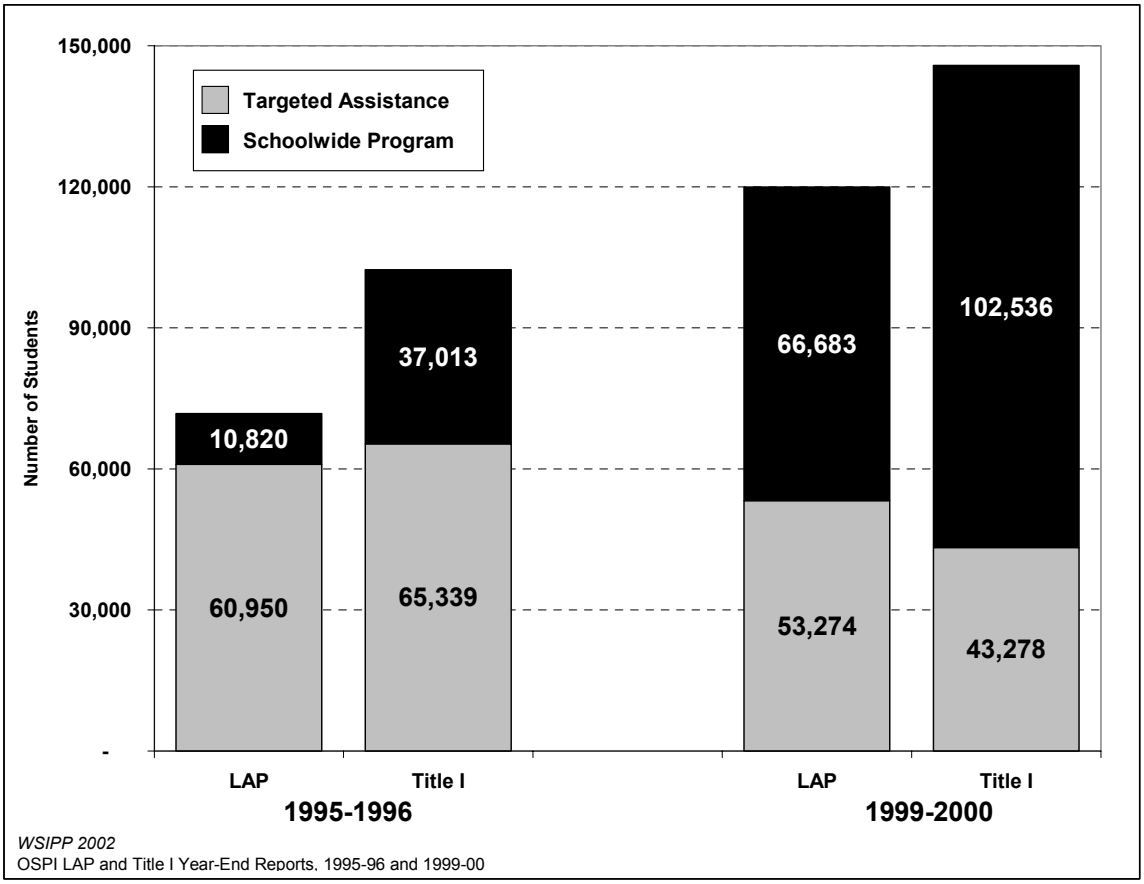
Exhibit 11
Districts Reporting High Participation in LAP and Title I

Percent of All Elementary Students Served in Program	Number of Districts	
	LAP	Title I
More than 100% (Errors)	16	29
80 to 100%	14	27
50 to 80%	8	15
Total	**38**	**71**

OSPI LAP and Title I Year-End Reports, 1999-00 and OSPI P105 Headcount Enrollment, October 1999

Schoolwide programs may affect how districts report student participation in LAP and Title I. In 1999–2000, 39 percent of all buildings with Title I dollars operated a schoolwide program (374 out of 949), six times as many as in 1995–96. Just under half (43 percent) of total LAP and Title I allocations go to schoolwide programs. Furthermore, districts now report the majority of LAP and Title I students are in schoolwide programs, a significant shift from 1995 to 1999 (see Exhibit 12).

Exhibit 12
Increased Participation in Schoolwide Programs Reported for LAP and Title I



WSIPP 2002
OSPI LAP and Title I Year-End Reports, 1995-96 and 1999-00

Schoolwide programs do not formally distinguish between Title I or LAP students and other students. As described earlier, schools with at least 50 percent poverty may choose to implement a Title I schoolwide program where there is no rank-ordering of students to determine who is eligible to receive services (as there is with targeted assistance programs). Rather, any student who needs additional tutoring or one-on-one consultation can receive assistance. This programmatic flexibility makes distinguishing among Title I or LAP students and other students irrelevant for delivery of services and nearly impossible for any other purpose (such as counting participants). There is evidence that districts report most or all students in buildings with schoolwide programs as LAP and Title I participants.[42]

Although there is no provision in state statute or rule for LAP to be offered as a schoolwide program, OSPI policy permits schools that operate Title I schoolwide programs to serve LAP students in a similar fashion.[43] OSPI allows districts to estimate the number of LAP students for the year-end report in one of several ways.[44] Regardless of the method used for estimation, each is merely a proxy for actual participation in LAP or Title I. The existence (and expansion) of schoolwide programs makes reported participation in LAP and Title I not comparable over time.

Students Served: Eligibility for Assistance

Surveyed districts rely on an array of objective assessments to identify students needing additional assistance. All but one surveyed district reported using an extensive array of assessment tools to target services to the most needy students. Commonly mentioned assessments include state-mandated tests (ITBS, WASL, 2nd grade reading assessment[45]) and other district-wide tests developed in-house or purchased from a testing company. The one district that did not mention standardized tests relies primarily on teacher judgment and classroom assignments to identify students.[46]

In more than 80 percent of the districts (32 of 38), all buildings use a common set of assessment tools to identify LAP or Title I students. The tools vary by grade level (and sometimes results from multiple tools are used) but do not vary within the district.

Few surveyed districts have a set standard for eligibility. Although students are identified as needing possible assistance using standardized tools, the cut-off for student eligibility to receive LAP or Title I services depends primarily on available funding. Districts (or buildings) determine how many students program staff can reasonably assist and set

[42] The 71 districts with high enrollment in Title I from Exhibit 11 reported 70,000 students in schoolwide programs compared with 5,000 students in targeted assistance programs. The 38 districts with high LAP enrollment reported 47,000 students in schoolwide programs and 5,000 students in targeted assistance.
[43] Office of the Superintendent of Public Instruction, *Combining Funds in Title I Schoolwide Programs*, Bulletin No. 13-01 (Olympia, WA: OSPI, June 5, 2001).
[44] Office of the Superintendent of Public Instruction, *Washington State Learning Assistance Program, 1999-2000 Annual Report* (Olympia, WA: OSPI, June 2001).
[45] Schools must test all 2nd grade students in reading (RCW 28A.300.320) but may select from one of five different assessment tools.
[46] Sixty percent of the districts (23 of 38) reported incorporating teacher recommendations and teacher judgment into the identification of potential LAP or Title I students, but they emphasized the objective assessments more heavily.

eligibility based on that capacity. Only seven districts reported they attempt to serve all students below a certain threshold of performance (lowest 25 or 35 percent).

Program directors had difficulty estimating the proportion of low-achieving students receiving assistance from LAP or Title I. Twelve reported all students in the lowest 20 to 25 percent of their class were likely to be in LAP or Title I. Six thought a greater number of students were served (lowest 30 to 35 percent of class), and seven suspected programs were only reaching the lowest 10 to 15 percent of the class.[47]

Criteria for exit from LAP or Title I is more flexible than criteria for entry. Slightly more than half (21 of 38) of surveyed districts rely on an objective exit standard based on district-wide assessment tools. The remaining districts rely on a combination of teacher recommendations and classroom performance to gauge when a student no longer needs supplemental assistance. The most common exit standard (in 20 of 38 districts) is student performance at or near "grade level."[48] Most of the remaining districts expect student performance at the 25th or 35th percentile before exit. Program directors could not identify an average length of time students stay in LAP or Title I programs, although several reported keeping students in the program for at least one year.

Use of Funds: Staffing

Most LAP and Title I funding supports certificated and classified staff. For 1999–2000, districts reported spending 92 percent of LAP funds and 89 percent of Title I funds on salaries and benefits for certificated and classified staff (e.g., teachers and paraprofessional classroom aides). Five percent of each fund source went to curriculum and materials and the remainder to items such as purchased services (e.g., training), travel, and capital purchases.[49]

Districts rely primarily on paraprofessional aides. Most staff assigned to LAP (64 percent) and Title I (57 percent) programs are paraprofessional classroom aides.[50] However, districts reported a slight increase in the proportion of certificated teachers assigned to LAP since 1995, from 29 to 35 percent.[51]

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[47] The remaining 13 directors (more than a third) could not estimate the reach of LAP and Title I services.
[48] "Below grade level" is the statutory definition of students eligible for LAP: RCW 28A.165.030(4).
[49] Office of the Superintendent of Public Instruction, *School District and Educational Service District Financial Reporting Summary, 1999-00* (Olympia, WA: OSPI). Expenditures by Object for Program 51 (Federal Remediation) and Program 55 (State Learning Assistance).
[50] Concerns about reliance on paraprofessional staff led Congress to require additional standards under the 2001 ESEA. New classroom aides hired to work in Title I programs must have completed two years of college, obtained an associate degree, or pass a formal assessment of their ability to assist in reading, writing, and math. Current staff have four years to meet one of these expectations. The new law also requires states to ensure that all teachers hired with Title I funds are "highly qualified." Education Commission of the States, *No State Left Behind: The Challenges and Opportunities of ESEA 2001,* ECS Special Report, (Denver, CO: Education Commission of the States, 2002), 38.
[51] The proportion of teachers in Title I remained approximately the same at 36 percent.

Data on LAP expenditures per student are skewed by high rates of reported participation. Theoretically, it should be possible to divide a district's LAP allocation by the number of participating students to reach an average per-student expenditure for the program. It would be useful to compare this figure with the unit cost of $403.57 from the state allocation formula for 1999–2000. The median per-student expenditure resulting from this analysis is $786; however, the range among 255 reporting districts is between $30 and more than $2,400 per student.[52] The problems noted earlier with reported numbers of participating students make the analysis unreliable.

Use of Funds: Program Models

Most surveyed districts rely on a blend of in-class assistance and pulling students out of class for elementary remediation. Twenty-seven of 38 districts (71 percent) reported using both in-class and pull-out models of providing assistance for LAP and Title I students in elementary school.[53] In pull-out models, students are taken out of their regular class for intensive one-on-one or small group instruction, usually for 20 to 30 minutes at a time. In-class models encompass a variety of strategies, including dividing the entire class into small groups with assistance from teachers or classroom aides, pulling a single small group of students to the back of the class for more intensive tutoring, or having a teacher or aide roam through the class assisting students one-on-one.

Surveyed districts tend toward in-class assistance. As shown in Exhibit 13, districts reporting a blend of both models are more likely to emphasize in-class rather than pull-out assistance.[54] One reason is increased use of reading programs, such as Reading Recovery (mentioned by six districts), where all students in the same grade are divided into small groups according to skill level for a set time period during the day. According to program directors, older elementary and middle school students are often served in class to reduce the social stigma of receiving extra help.

Nearly one-third of surveyed districts (12 of 38) reported that increased integration of instruction for LAP and Title I students has been a trend over the last five years. Examples include not only a move toward in-class assistance but more frequent collaboration and planning among regular teachers and remediation specialists.

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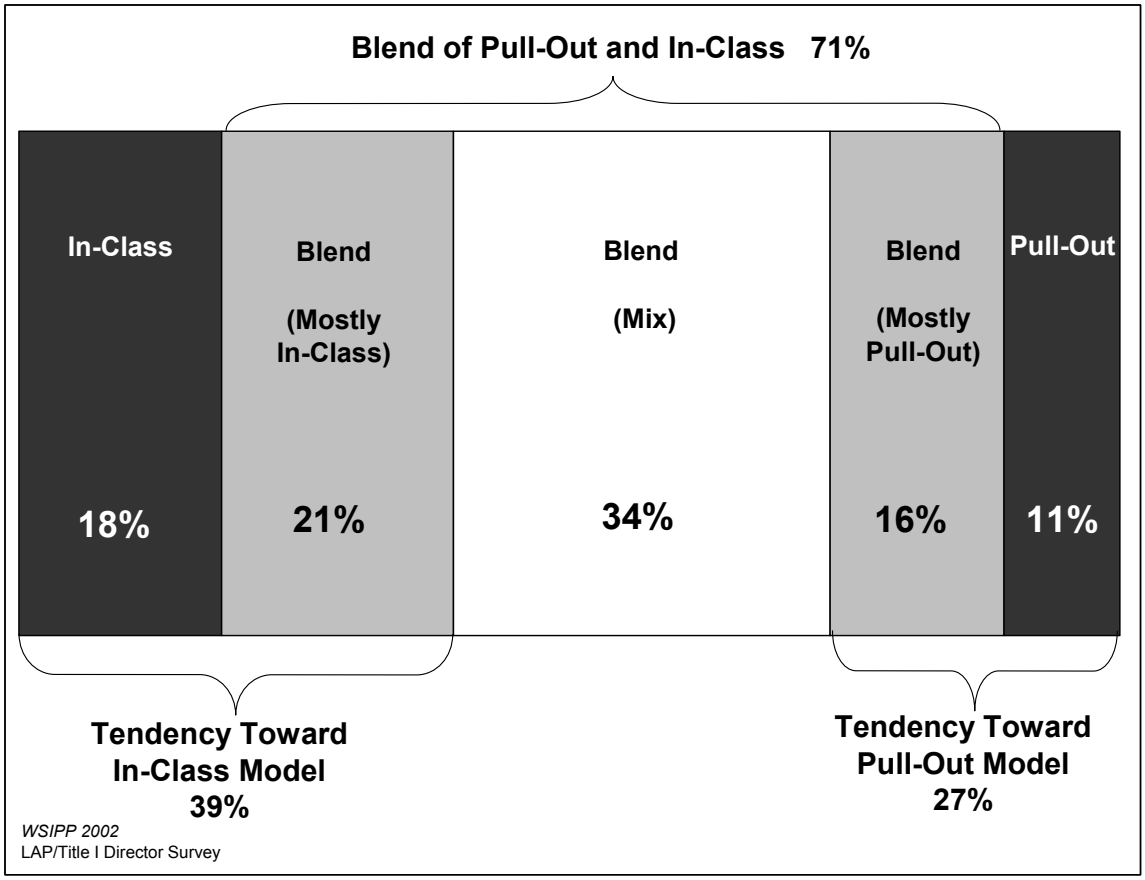
[52] Half the districts reported between $485 and $1,270 per LAP student. A similar median ($752) and variation was found for per-student expenditures in Title I. Office of the Superintendent of Public Instruction, *LAP and Title I Allocations, 1999–2000* and *LAP and Title I Year-End Reports, 1999–2000* (Olympia, WA, OSPI).

[53] Replacement models of remediation tend only to be used for secondary students. Under a replacement model, students needing extra assistance replace a regular class with a special class, such as language arts or study skills. Half the surveyed districts (19 of 38) reported providing replacement classes for LAP or Title I students in middle or high school.

[54] There was no difference in response based on the size of the district (number of students enrolled), although the sample size is very small. There was a slight tendency for districts where some buildings had schoolwide programs to use in-class models throughout the district.

Exhibit 13

Tendency to Use In-Class Over Pull-Out Models Among Surveyed Districts



The pull-out model has been criticized in national research on Title I. National evaluations of Title I suggest the pull-out model provides a remedial student with an average of 2.5 hours of extra instruction each week largely consisting of drills and repetition of basic skills using a separate curriculum. The student misses 1.5 hours of regular classroom instruction where the standards, expectations, and content are more challenging. The evaluations also criticize lack of coordination and communication between the Title I teacher and regular classroom teachers.[55] According to several authors, the reason schools have relied on a pull-out model is largely bureaucratic: accountability for LAP and Title I programs has focused on fiscal monitoring to ensure only eligible students are served by the extra funds, and the pull-out model permits a clearer audit trail.[56]

Among surveyed districts, there is no consensus on the most effective model. The survey responses are difficult to interpret because some program directors relied on observations and others cited district-collected data illustrating the effectiveness of their chosen model of assistance. Nearly half (18 of 38) reported a blend of approaches works

[55] Geoffrey Borman et al., *Title I: Compensatory Education at the Crossroads* (Mahwah, NJ: Lawrence Erlbaum Associates, 2001): 83, 97, 139. This book includes the work of multiple researchers, summarizing various evaluations of Title I that have occurred over the last 20 years.
[56] Ibid., 14, 83.

best, with most stating that students must be individually assessed to find the model of assistance that improves their learning. Another seven districts reported they find no model to be more effective than another (which may be another way of saying the choice of model depends on the student). Districts that believe or have data to illustrate the superiority of the pull-out model reported students benefit from intensive one-on-one instruction and are less likely to be distracted by other activities.

Flexibility in Title I, along with multiple current initiatives to improve student performance, blurs distinctions among programs. Forty-five percent of surveyed districts (17 of 38) remarked that increased blending of fund sources and programs has been a trend in Title I and LAP over the last five years. In an effort to focus on the common goal of improved student performance, schools have combined and coordinated resources in ways that blur distinctions among various programs. The following examples are from two surveyed districts:

> *We're using I-728[57] to put classroom aides in all our Kindergarten classes, then running an intensive primary intervention program in grades 1 through 3 with small classes and extra specialists funded from a combination of Title I, LAP, and state class size reduction funds. I-728 comes in again at grades 4 through 6 and then LAP for grades 7 through 8 to provide extra time for struggling students.*
>
> *We have Title I for grades 1 through 3, a Washington Reading Corps[58] grant for grades 3 through 4, and then LAP for grades 4 through 6. We're also putting LAP and local levy funds into an expanded summer school. I-728 and LAP together are funding district reading specialists and all-day Kindergarten.*

Blending programs and resources has implications for researchers (and policymakers) wishing to measure whether programs work. Evaluators trying to measure performance of LAP and Title I students may not be able to distinguish the effect of assistance from the LAP teacher compared with the I-728 funded reading specialist or the new comprehensive reading program paid through basic education funds.[59]

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[57] Initiative 728 (I-728) was approved by Washington voters in 2000 and provides funds ($184 million during 2001–02) for a number of purposes. An informal survey conducted in 2001 showed districts use the majority of I-728 funds to reduce class size. League of Education Voters, *Washington State I-728 Implementation: A Report to the People,* <http://www.k122000.org/report_to_people.htm>, May 2002.

[58] OSPI awarded $3 million in state grants to 173 school buildings during 2001–02 to offer tutoring and mentoring to improve reading in grades K–6 through the Washington Reading Corps. Office of the Superintendent of Public Instruction, "Washington Reading Corps Grant Recipients," Bulletin No. 63-01, (Olympia, WA: OSPI, August 1, 2001).

[59] Borman, *Title I,* 50.

Summary: How Funds Are Spent

Students Served

- School districts focus on providing services to **elementary students**: more than 80 percent of LAP or Title I students are in grades K–6. The proportion of **minority and bilingual students** in both programs is higher than in the overall student population.

- Districts report **dramatic increases in the number of LAP and Title I students** over the last five years (67 percent in LAP and 42 percent in Title I).

- However, due to the expansion of schoolwide programs (which do not explicitly identify eligible students), **current reports on participation in LAP and Title I are not comparable to previous reports.** Many districts report most or all students in buildings with schoolwide programs as LAP and Title I participants.

- Districts rely on a **wide array of assessment tools (mostly standardized tests) to identify students** needing assistance from LAP or Title I. Among surveyed districts, criteria for **program eligibility and exit are based on program capacity** and students' **return to "grade-level" performance**.

Use of Funds

- Approximately **90 percent of LAP and Title I resources provide extra teachers and paraprofessional classroom aides**, with most districts relying primarily on aides.

- Due to inconsistencies in reporting, it is **not possible to reliably estimate dollars spent per participating student**.

- Surveyed districts rely on a **blend of in-class and pull-out models** of remedial assistance, with a slight **tendency toward an in-class approach**. **No consensus exists** among researchers or practitioners **on which model produces the largest gains** in student achievement.

- Increased **integration of LAP and Title I programs within the regular classroom has been a trend** over the last five years, blending both resources and instruction. The effect of this activity is to blur distinctions among programs.

IV. WHAT IS KNOWN ABOUT LAP, TITLE I, AND STUDENT PERFORMANCE?

This section outlines what is known, and not known, at the state level about the relationship between LAP and Title I programs and student performance.

Statewide, test scores are improving. Improvement is occurring at a faster rate for elementary students compared with older students and on the WASL compared with standardized tests.

Although no longer required by Title I or OSPI, most surveyed districts continue to use pre- and post-tests to monitor performance of LAP and Title I students and use the results to change programs. However, evaluating the effect of the programs at a state level requires (at a minimum) common assessments and accurate identification of students receiving LAP and Title I services. State tests include an indicator for LAP and Title I students, but inconsistencies in reporting raise questions about the reliability of these data.

The Institute examined the performance of a cohort of 3rd and 4th grade students. Given the limitations of available statewide data, no definitive conclusions could be drawn about the effect of LAP and Title I on student test scores.

Background

The central question for policymakers, researchers, and educators about remediation programs is: "Do they work?" Unfortunately, the answer to this question is not always clear. We found evidence that teachers, principals, and program directors monitor performance of LAP and Title I students closely at the local level (within a building or a district). Surveyed districts also noted a trend of increased use of data and research to make remediation programs more focused on strategies that are proven to be successful for students. To evaluate the effect of a program on a statewide level, however, the same assessment tools must be used with all students, and participating students must be accurately identified.

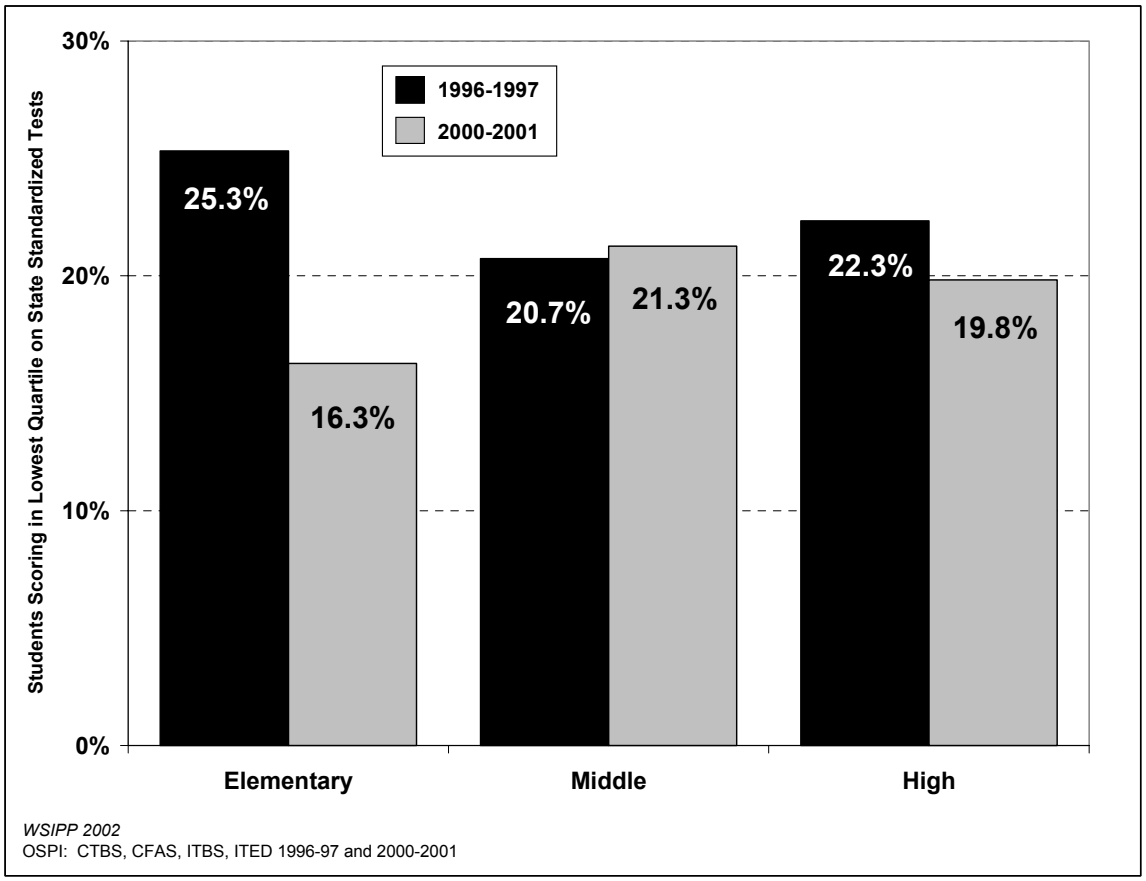
In order to analyze the relationship between LAP, Title I, and student performance, we explored the following:

- Recent trends in overall student performance;
- Pre- and post-testing of LAP and Title I students;
- Using state test data to examine LAP and Title I; and
- Student performance and the ESEA.

Recent Trends in Overall Student Performance

Test scores on state standardized tests are improving for elementary and high school students. As illustrated in Exhibit 14, a smaller proportion of students scored in the lowest quartile on state standardized tests in 2000–2001 than in 1996–97 for elementary and high school (but not middle school).[60] The drop in low-achieving students in elementary school was particularly dramatic: from 25.3 to 16.3 percent. At least some of the change is due to a shift in the standardized test used by the state. When this shift occurred in 1998, the proportion of elementary students scoring in the lowest quartile dropped from 25 percent to 19 percent. Middle school and high school test scores have not shown a similar degree of change.

Exhibit 14
Fewer Students Are Scoring in the Lowest Quartile on Elementary and High School Standardized Tests



WSIPP 2002
OSPI: CTBS, CFAS, ITBS, ITED 1996-97 and 2000-2001

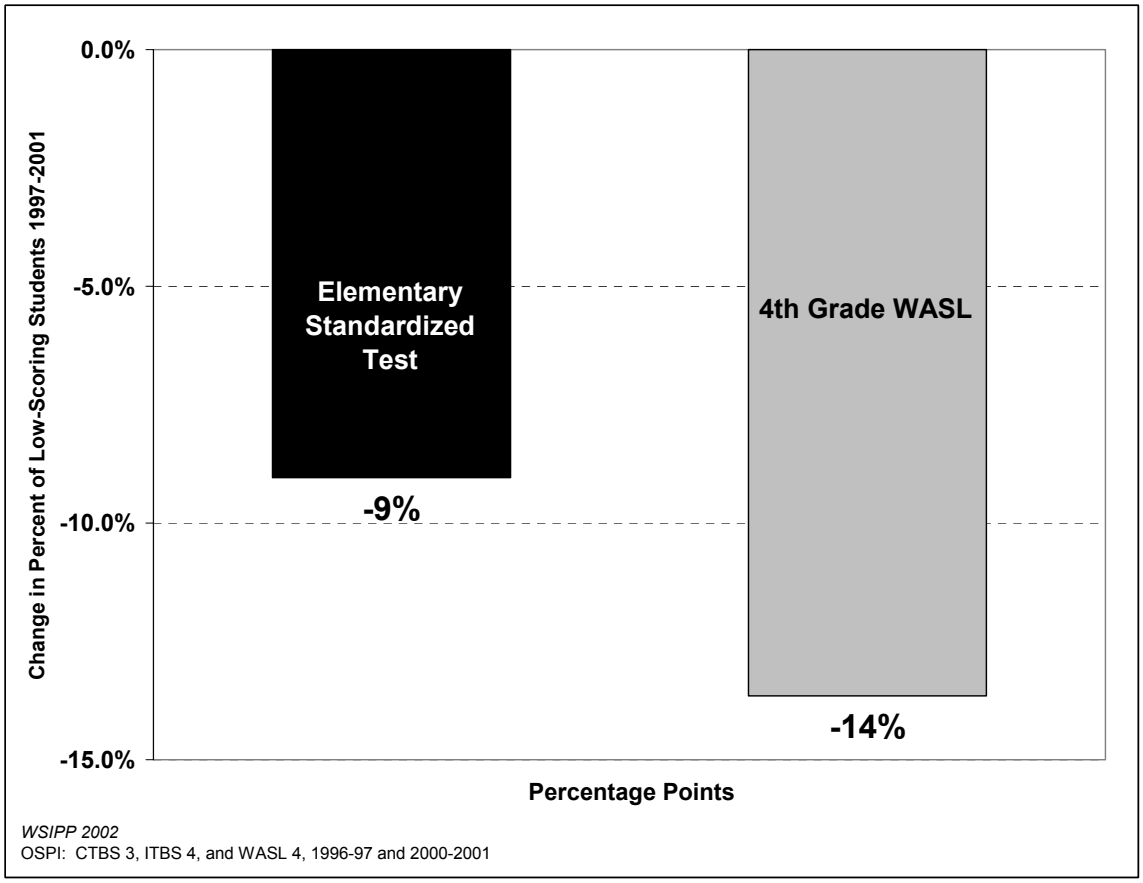
[60] Students currently take the Iowa Test of Basic Skills (ITBS) in third and sixth grades and the Iowa Test of Educational Development (ITED) in grade 9. In 1995–96, the tests were the California Test of Basic Skills (CTBS) in grades 4 and 8 and the Curriculum Framework Assessment System (CFAS) in grade 11.

Because the state allocates LAP money based primarily on test scores, a reduction of the percentage of students scoring in the lowest quartile will lead to reduced LAP dollars for school districts.

WASL scores are improving at a faster rate than standardized test scores. Between 1997 and 2001, the percentage of elementary students scoring in the lowest quartile on the state standardized test dropped by 9 percentage points (from 25.3 percent to 16.3 percent). During the same time period, the percentage of students scoring in Level 1 (the lowest of four levels) on the 4th grade WASL dropped from 29 to 15: a decrease of 14 percentage points[61] (see Exhibit 15). The difference in improvement between standardized test scores and WASL scores was not as dramatic for middle and high school students.[62]

Exhibit 15

Drop in Percentage of Low-Scoring Students on Elementary Tests: 1997–2001



WSIPP 2002
OSPI: CTBS 3, ITBS 4, and WASL 4, 1996-97 and 2000-2001

[61] Unless otherwise noted, the standardized tests are a composite of reading and math scores. For comparability, the same practice is followed with WASL scores by taking an average of students scoring at a particular level in reading and math. For example, in 2000–2001, 26.8 percent of 4th grade students were in Level 1 in math and 4.9 percent in reading, for an average of 15.9 percent.

[62] For middle schools, there was a 4.5 percentage point drop in Level 1 students on the 7th grade WASL between 1998 and 2001 compared with a drop of less than 1 percentage point in students scoring in the lowest quartile on the standardized test. Over three years of high school WASL testing (1999–2001), there has been a drop of 1.6 percentage points in low-scoring students on the WASL and less than 1 percentage point for the standardized test.

If the state allocated LAP dollars based on WASL scores (rather than standardized test scores), a trend of faster improvement in WASL scores would mean even greater reductions in funding.

Pre- and Post-Testing of LAP and Title I Students

When the performance of LAP and Title I students was measured using annual assessments, results indicated gains. Before 1995, Title I required schools to assess performance of program participants annually using standardized tests. Tests were administered in a pre- and post-test fashion, either fall-to-fall or spring-to-spring. Under OSPI regulations, the same practice was followed for LAP students. Pre- and post-test scores were normed using a national sample of students so that academic growth of LAP and Title I students could be compared with "ordinary" growth of other students.

According to data collected by OSPI, LAP and Title I students improved their performance at a faster rate than the nationally normed sample, implying that remediation was helping these students catch up to their peers.[63]

OSPI no longer collects pre- and post-test data, but most surveyed districts still conduct pre- and post-testing and use results to make program changes. When the 1994 reauthorization of the federal Elementary and Secondary Education Act (ESEA) stopped requiring pre-and post-testing for Title I participants, OSPI also stopped requiring pre- and post-testing for the LAP program. However, more than 80 percent (32 of 38) of the districts surveyed by the Institute reported monitoring performance of LAP and Title I students in a fashion similar to the previous pre- and post-testing. Districts tend to rely on the same array of assessment tools (mostly standardized tests) used to identify students needing remedial services.

Nearly half (18 of 38) the program directors were able to provide specific examples of how district and building monitoring of student performance in LAP and Title I programs had led to program changes. Common changes include adopting a different reading or math program, adopting district-wide a program that had proven successful in one building, and revising staffing levels and configurations.

Using State Test Data to Examine LAP and Title I

State tests include an indicator for LAP and Title I students, but inconsistencies in reporting raise questions about the reliability of the data. At the state level, the only source of information on LAP or Title I student performance comes from tests administered in 3rd, 6th, or 9th grade (standardized tests) and 4th, 7th, and 10th grade (WASL). Included in each student's test booklet is an indicator completed by the teacher of whether the student is served by LAP or Title I programs in reading or math. However, analysis of the test data shows the following inconsistencies:

[63] Office of the Superintendent of Public Instruction, *Report to the Legislature*, 6; JLARC*, K-12 Learning Assistance Program*, 10-11.

- ***Fewer students are identified on test booklets than on year-end program reports.*** On test booklets, districts identified fewer than half the students as being LAP or Title I participants than they reported to OSPI for that grade level for 1999–2000. For example, there were 6,512 3rd grade students in LAP according to the 2000 standardized test. In year-end reports, districts reported 14,908 3rd grade students receiving LAP services for 1999–2000. Similar discrepancies were found at other grade levels and on the WASL tests.

- ***Unreliable reporting by schoolwide programs.*** As described earlier, we suspect schoolwide programs have difficulty identifying LAP or Title I students because of how services are provided. On the 2000 3rd grade standardized test, nearly one-fourth of schoolwide programs identified more than 80 percent of tested students as receiving Title I assistance. A bigger problem was under-reporting: nearly half of schoolwide programs identified fewer than 1 percent of tested students as Title I.[64]

- ***Unexpectedly high test scores among identified students.*** The target population for both LAP and Title I programs is low-achieving students. According to the 2000 3rd grade standardized test, however, more than one-fourth (28 percent) of the students identified as receiving LAP services had test scores above the 50th percentile.[65]

Using standardized tests and the WASL, the Institute examined test scores for a cohort of 3rd and 4th grade students. The Institute matched data from the 2000 3rd grade standardized test and the 2001 4th grade WASL to create a cohort of more than 62,000 students. To adjust for the data inconsistencies described above, we then limited our analysis only to students in non-schoolwide programs that had identified a reasonable number of tested students as LAP or Title I participants (more than 1 percent but fewer than 50 percent). This left approximately 34,000 students in the cohort.

Given the limitations of available statewide data, we could not draw definitive conclusions about the effect of LAP and Title I on student test scores. In order to compare standardized test and WASL scores, the Institute converted each student's test score into a percentile rank relative to other Washington students who took each test. We then examined how students in the lowest Washington quartile on the 3rd grade test ranked, on average, on the 4th grade WASL.

On average, gains in performance between the two years for all students in the lowest Washington quartile were higher than for other groups of students. In theory, within the group of low-scoring students, we would expect to see greater gains as a result of LAP and Title I participation. Instead, however, we found slightly lower gains for the LAP and Title I students versus other low-scoring students.

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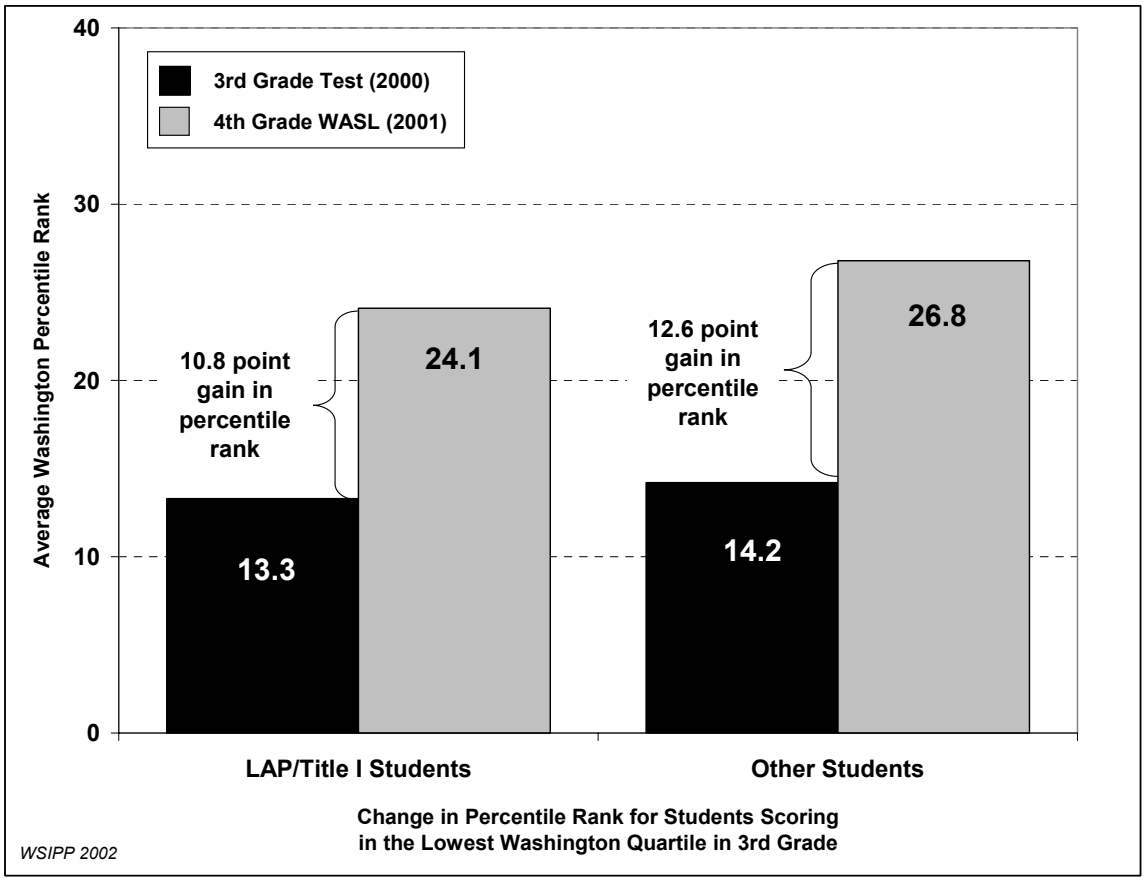
[64] Misreporting problems were worse for the 2000 4th grade WASL: more than 80 percent of schools (regardless of program type) identified fewer than 1 percent of tested students as served by LAP or Title I.

[65] The proportion of Title I-identified students with scores above the 50th percentile was similar (21 percent), as were proportions of either LAP (22 percent) or Title I (24 percent) students meeting the state standard at Level 3 on the 4th grade WASL in 2000 (reading and math combined).

Students in the lowest Washington quartile in 3rd grade who were also identified as LAP or Title I participants improved their rank by an average of 10.8 percentile points in reading between 3rd and 4th grade. Other low-scoring students (e.g., those in the lowest Washington quartile not identified as LAP or Title I) improved their rank by 12.6 percentile points, 1.8 points more than the LAP/Title I students (see Exhibit 16).[66]

Exhibit 16
Change in Washington Percentile Rank Between 3rd and 4th Grade for Students in the Lowest Quartile: LAP/Title I Students Compared With Other Students



While the difference between the two groups of students is statistically significant, it should be interpreted with caution. Due to the data reliability problems described earlier and other possible reasons (see inset below), this analysis does not offer conclusive evidence of the effect of LAP and Title I on student test scores.

We also could not conclusively show that the amount of a building's LAP and Title I allocation influences average test scores in the building. We examined average 3rd and 4th grade test scores in approximately 1,040 elementary schools that had received LAP

[66] A similar difference (1.5 percentile points) between LAP and Title I students and other low-scoring students was found for math scores. A complete display of the statistical results is in Technical Appendix II.

or Title I funds in 1999–2000 to determine whether the amount of the allocation would predict 4th grade WASL scores in the building.[67]

The amount of LAP and Title I money in a building predicted less than 1 percent of students' 4th grade math or reading scores. The effect, however, was negative. That is, the more LAP or Title I funding a building received per student, the lower on average its students' 4th grade test scores were (after students' 3rd grade test scores had been taken into account).[68] Once again, this is not a conclusive result for a number of possible reasons (see inset below).

Possible Reasons for Inconclusive Findings About LAP, Title I, and Student Performance

- **Effects of early intervention are not captured.** Nearly 40 percent of LAP and Title I students reported by districts are in grades K–2. The effect of services on these students is not reflected in an analysis comparing 3rd and 4th grade test scores.
- **Data identifying LAP and Title I participants on state tests are inconsistent.** Although the Institute tried to eliminate the most obvious inconsistencies, the remaining data may still have enough problems to produce inconclusive results.
- **No opportunity to examine what would have happened without LAP or Title I resources.** Students may have done worse on state tests without the additional help from LAP and Title I, but there is no way to determine that using statewide data. To reach a definitive conclusion about the effect of a program would require districts to assign students who need extra help to LAP or Title I randomly, with some receiving services and others not.
- **LAP and Title I are a small proportion of overall resources.** Statewide, LAP and Title I represent 3 percent of all state and federal revenue for school districts. Blending of resources and instructional strategies makes it difficult to isolate the effects of one intervention from another.
- **Factors that are not accounted for could influence the effectiveness of LAP and Title I programs.** We could not measure or account for such factors as teacher quality, type of remediation model, leadership, or new instructional strategies.
- **Statewide averages hide results from successful programs.** It is possible to use state test data to identify particular schools or districts with unexpectedly high student performance. The identification of successful schools presents an opportunity for OSPI or other researchers to draw lessons from these schools for the possible benefit of others across the state.[69]

[67] Because earlier analyses suggest that building poverty is the strongest predictor for the size of a building's LAP and Title I allocation, we conducted this analysis using dollars per FRL student to control for overall building enrollment (which would naturally affect the size of the allocation).
[68] The statistical results of this analysis are in Technical Appendix III.
[69] Recent efforts to examine successful schools include OSPI, *Case Study of Spokane School District Title I Program*, (forthcoming); and Center on Reinventing Public Education, *Making Standards Work: Active Voices, Focused Learning* (Seattle, WA: University of Washington, February 1999), <http://www.crpe.org/Publications/pubpage.html#reform>, May 2002.

Earlier national evaluations of Title I identified modest positive impacts on participant performance. Prior to 1995, when Title I still required pre- and post-testing of students, federal evaluators found similar results nationally as pre- and post-tests conducted in Washington State: on average, program participants showed greater gains in achievement than the norm.[70] By the mid to late 1990s, years of various types of evaluations led most researchers to conclude that Title I produced "modest gains" in student achievement but not to a sufficient or sustainable degree to bring struggling students even with their peers.[71]

Student Performance and the ESEA

The focus of Title I accountability has shifted to improvement of overall student performance. National researchers concluded that trying to measure the impact of Title I separately from other initiatives taking place in a school was, in effect, asking the wrong question. Title I is largely a funding mechanism to direct additional resources toward disadvantaged students rather than a coherent, research-based program of remediation and intervention where effects can be evaluated.[72] By expanding flexibility and requiring states to monitor performance of all students (not just program participants), the 1994 and 2001 reauthorizations of the ESEA expect Title I to be a tool to leverage improved instruction for all students.[73]

Annual tests required by the 2001 ESEA provide an opportunity to monitor student performance over time but may not improve monitoring of LAP and Title I. Statewide annual assessments in grades 3 through 8 should improve the state's ability to monitor student performance over time. For example, OSPI could monitor the performance of low-scoring students (students in the lowest quartile on standardized tests or in Level 1 on the WASL) and provide assistance to buildings where students showed only small or negative gains. However, annual assessments would enable the state to monitor performance particularly for LAP and Title I only if common tests were used across all districts and LAP and Title I participants were accurately identified.

OSPI's preliminary plan for implementing the 2001 ESEA does assume development of common statewide tests, to be fully operational by December 2006.[74] However, one suspected cause of unreliable identification of LAP and Title I participants on current state tests is schoolwide programs, where distinguishing among students is irrelevant for service delivery. The 2001 ESEA expands the opportunity for schools to implement schoolwide programs, which will further complicate identification of LAP and Title I students.

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[70] Borman, *Title I,* 27.
[71] Ibid., 49.
[72] Ibid., 63.
[73] Ibid., 51.
[74] Office of the Superintendent of Public Instruction, *Washington State Preliminary Consolidated Plan: ESEA "No Child Left Behind"* <http://www.k12.wa.us/ESEA/pubdocs/ESEAStatePlanMaster.pdf>, May 2002.

Summary: LAP, Title I, and Student Performance

- Statewide, **test scores are improving.** Improvement is occurring at a **faster rate for elementary students. WASL scores are improving faster** than scores on standardized tests.

- Although no longer required by Title I or OSPI, **most surveyed districts continue to use pre- and post-tests** to monitor performance of LAP and Title I students and **use the results to change programs.**

- However, **evaluating the effect of a program at a state level requires common assessments and accurate identification** of students receiving program services. State tests include an indicator for LAP and Title I students, but inconsistencies in reporting raise **questions about the reliability of using these data** to monitor performance of LAP and Title I students or evaluate the effectiveness of the programs.

- The Institute examined the performance of a cohort of 3rd and 4th grade students. **Given the limitations of available statewide data, no definitive conclusions could be drawn about the effect of LAP and Title I on student test scores.**

- The **focus of Title I has shifted to performance improvement for all students,** rather than only program participants. Annual tests required by the **2001 ESEA** provide an **opportunity to monitor student performance over time** but may not improve monitoring of LAP and Title I.

V. How Could the State Funding Formula for LAP Be Revised?

This section examines a number of issues about the current LAP formula and presents three alternative examples of how the formula might be revised.

If test scores improve for one class of students, districts receive less LAP money to assist incoming classes. Statewide, this "test effect" caused a 1 percent decrease in LAP funding for districts between 1999 and 2000. Education reform is associated with WASL scores (rather than standardized test scores), but basing the LAP formula on the WASL could lead to a larger test effect. Because there is a relationship between poverty and test scores, recommendations have been made to base the LAP formula on poverty.

There are multiple possible objectives to be met through the allocation of LAP funds. One way to meet these objectives is to rebuild the LAP formula using multiple tiers: a funding base for remediation in all districts, targeted funding for districts with greater needs, and school improvement funding associated with accountability and education reform.

Policymakers would need to balance the relative importance of multiple objectives within a new LAP formula. In other words, is it more important to distribute funds broadly to most school districts? Or is it more important to target limited resources to districts with greater needs? The three sample formulas developed by the Institute illustrate tradeoffs and redistribution of funds among districts compared with the current formula.

Issues Concerning the Current LAP Funding Formula

Previous studies of LAP by the Joint Legislative Audit and Review Committee (JLARC) and the Office of the Superintendent of Public Instruction (OSPI) raised a number of issues with the current funding formula, many of which were mentioned again by program directors in districts surveyed by the Institute:

1. Improved test scores mean less LAP money;
2. Education reform is focused on the WASL;
3. Recommendations to base funding on poverty;
4. Lack of predictability in LAP allocation; and
5. Flexibility in use of LAP funds.

1. Improved Test Scores Mean Less LAP Money

Districts believe the LAP formula offers a disincentive for improvement. Ninety-three percent of the state LAP allocation is based on a district's proportion of students scoring in

the lowest quartile on standardized tests. If test scores improve for one group of students, districts could receive less money to provide services for the next group. Because this penalty has been repeatedly identified as a concern with the current LAP funding formula,[75] it is worthwhile examining the extent that school districts lose (or gain) funding as a result of changes in test scores.

Statewide, LAP funding decreased by approximately 1 percent between 1999–2000 and 2000–2001 as a result of changes in test scores. By holding test scores constant and allowing other factors in the funding formula (such as district enrollment and poverty) to change as they actually did, we can examine the impact on funding solely from test scores. Between 1999–2000 and 2000–2001, 170 districts lost $1.2 million in LAP money solely due to changes in test scores (i.e., their test scores improved).[76] This represented an average 2 percent decrease in funding for those districts.

A smaller number of districts (114) experienced declines in test scores and saw their LAP funding increase by $368,000 (an average of 2 percent for those districts). The net effect statewide was a decrease of $827,000, or 1 percent of the LAP allocation.[77]

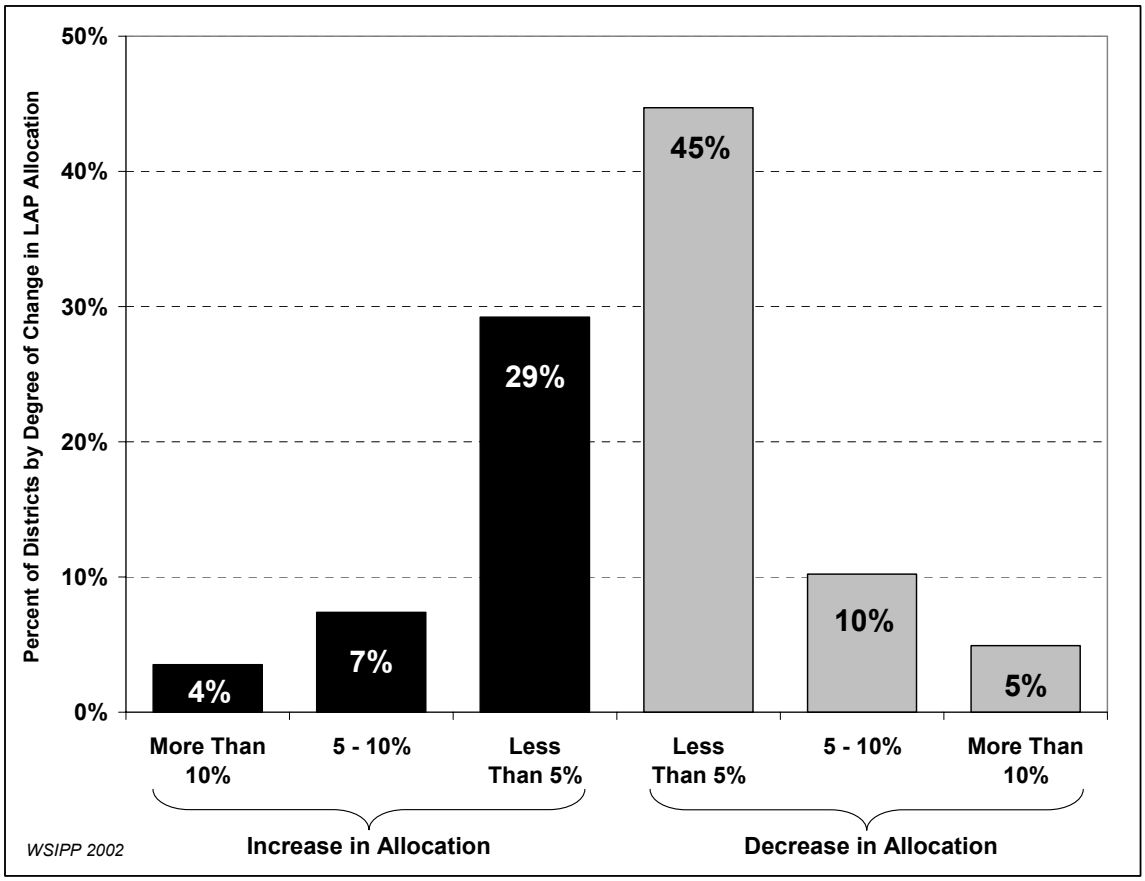
The majority of districts (74 percent) experienced less than a 5 percent effect on their LAP allocations due to changes in test scores. Exhibit 17 shows the degree of change in their LAP allocation (either positive or negative) experienced by districts between 1999–2000 and 2000–2001.

[75] OSPI, *Report to the Legislature,* 16. May program directors surveyed by the Institute also mentioned this issue.

[76] In order to conduct the analyses in this section, including the alternative funding formulas, the Institute built a model of the current LAP funding formula using data from OSPI for 1999–2000 and 2000–2001. Totals from the Institute's model do not precisely match OSPI's final apportionment reports (Form 1191) for LAP, possibly because OSPI continually updates FTE student data even after a prior school year has ended. The difference between the Institute and OSPI totals is less than one-half of 1 percent of the annual LAP allocation for those two years (.2 percent and .4 percent).

[77] This does not mean the total appropriation for LAP decreased by $827,000. Other factors in the funding formula (increases in enrollment and unit costs) caused an increase in total state dollars. This analysis isolates the effect of test score changes only.

Exhibit 17
Districts That Experienced Change in LAP Allocations Due to Test Scores: 1999–2000 to 2000–2001



Small school districts are more likely to experience large increases or decreases in funding due to changes in test scores. Nearly two-thirds (64 percent) of districts experiencing greater than 5 percent change in their LAP allocation as a result of test scores enroll fewer than 500 students. Nearly all (96 percent) of those with more than 10 percent change enroll fewer than 500 students.

The proportion of districts experiencing decreases in LAP funding between one year and the next as a result of improved test scores has remained fairly constant over the past five years (although they may be different districts).[78]

[78] In 1999, OSPI conducted a similar analysis. On average, for each year between 1995 and 1999, 9 percent of districts lost 5 to 10 percent of their LAP allocation due to changes in test scores, and an average of 6 percent of districts lost more than 10 percent of their allocation. OSPI, *Report to the Legislature,* 13.

2. Education Reform Is Focused on the WASL

Suggestions have been made that funding for LAP should be better aligned with education reform.[79] Under education reform, the focus of attention and accountability for improvement in student performance is WASL scores rather than standardized test scores. Under the A+ Commission's performance improvement goals, schools and districts are expected to reduce the proportion of students who do not meet state standards on the WASL in reading and math by at least 25 percent between 2001 and 2004.[80]

However, there could be a larger test effect on LAP funding from improved WASL scores. WASL scores (particularly for elementary students) are improving at a faster rate than standardized test scores. This implies a larger test effect (i.e., decrease in LAP funding) from improved test scores if the funding formula is based on the WASL. Furthermore, it is theoretically possible for WASL scores to improve so that no students are low-scoring because the WASL is not a norm-referenced test. As long as test norms are updated, there will always be 25 percent of students nationally who score in the lowest quartile relative to other test-takers on a norm-referenced standardized test. Presumably, a certain proportion of Washington students would also continue to fall under this threshold.

3. Recommendations to Base Funding on Poverty

Research indicates that student poverty is correlated with student test scores. Not all poor students are low-achieving. Not all low-achieving students are poor. The presence of poor students in a building or a school district, however, is a strong predictor of student test scores. Title I funds are targeted at districts and buildings with higher concentrations of student poverty expressly because poverty is associated with poor academic performance.[81] In Washington, building poverty is the strongest predictor of how much money elementary schools receive from either LAP or Title I. For these reasons, previous studies of LAP have suggested basing the formula on indicators of student poverty.[82]

Just under half (48 percent) of the variation in school districts' standardized test scores is explained by the percentage of FRL-eligible students in the district. The Institute found that the strength of the relationship between poverty and test scores depends on which indicators are used in the analysis. Generally, poverty is a better predictor of a district's test scores than of a building's test scores. Less of the variation in WASL scores (compared with standardized test scores) is explained by poverty factors. Even though Title I relies on data from the Census, this poverty indicator is not as strong a predictor of student test scores as eligibility for Free and Reduced Lunch.

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[79] The legislative directive to OSPI that resulted in the 1999 study of LAP asked for "a new allocation formula that uses additional elements consistent with…the new assessment system…." RCW 28A.165.070. The legislative directive for this study mentions revising the funding formula to enhance accountability for school performance in meeting education reform goals.

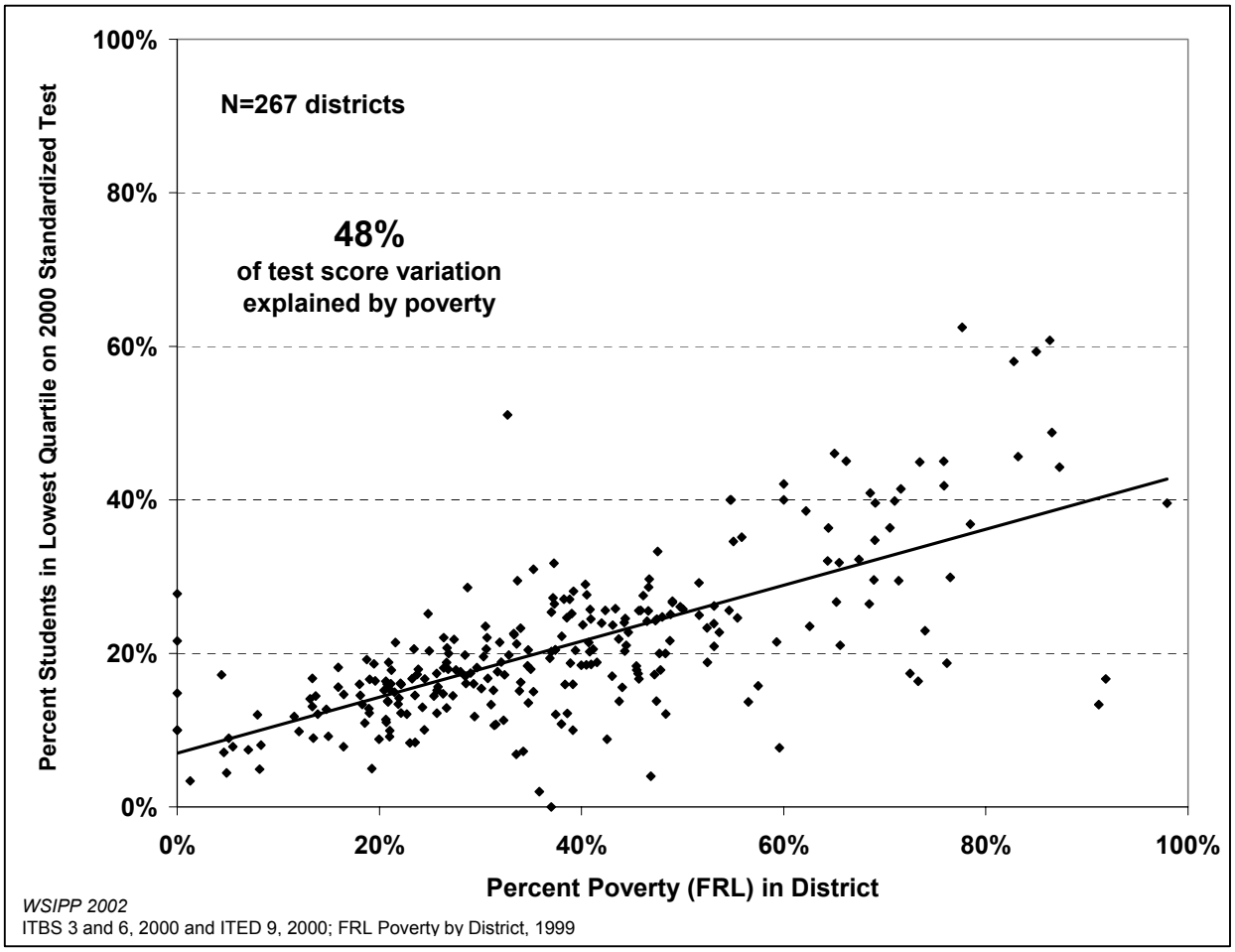
[80] WAC 3-20-100. Performance Improvement Goals: Reading and Mathematics.

[81] U.S. Department of Education, *Promising Results, Continuing Challenges: The Final Report of the National Assessment of Title I*, (Washington, D.C.: U.S. Department of Education, 1999), 7.

[82] JLARC, *K-12 Learning Assistance Program*, 32-34; OSPI, *Report to the Legislature*, 23. The JLARC study suggested several ways to incorporate a poverty indicator into the formula, which the Legislature did starting with the 1995–96 school year. OSPI recommended changing the entire formula to one based on poverty.

The "best predictive fit" at the district level is FRL-eligible students and standardized test scores, illustrated in Exhibit 18.[83]

Exhibit 18
Relationship Between District Test Scores and Poverty (2000): Standardized Tests and Free and Reduced Lunch



WSIPP 2002
ITBS 3 and 6, 2000 and ITED 9, 2000; FRL Poverty by District, 1999

There are advantages and disadvantages to relying on Free and Reduced Lunch data to drive LAP funding. Data on FRL-eligible students is collected annually at both building and district levels, has a close relationship to student achievement (as described above), is relatively stable from year to year,[84] and is simple to calculate and understand. Some disadvantages to relying on FRL include suspicion that older students are less likely to participate in school lunch programs and/or sign up for an economic assistance program.

[83] Twenty-nine districts were removed from the analysis because their small size (fewer than ten tested students at any grade level) made the correlation between test scores and poverty unreliable.
[84] From year to year, approximately 60 percent of districts experience less than 3 percent variation (up or down) in the percentage of students eligible for Free and Reduced Lunch. If a three-year rolling average is used, 80 percent of districts experience this minimal variation from year to year.

There is also suspicion that some school districts make a concerted effort to enroll students in the program; others may not. In addition, not all districts report FRL information.[85]

4. Lack of Predictability in LAP Allocation

LAP allocations fluctuate within the school year, posing an administrative challenge for program directors. Most state funding to school districts is based on average annual counts of full-time equivalent (FTE) students. Initial payments are made on estimated enrollment, with monthly adjustments to reflect actual enrollment and other factors.[86] This adjustment process makes the amount of funding a district will receive from LAP unknown in advance for planning purposes and uncertain from month to month, which can affect decisions about deploying staff or purchasing curriculum. Nearly 30 percent (11 of 38) of surveyed program directors identified this lack of predictability as an aspect of LAP they would like to see changed, even if the change results in less money.[87] This could be accomplished by using the prior year's average annual count of FTE students rather than the current year in the LAP funding formula.

5. Flexibility in Use of LAP Funds

Program directors noted a positive attribute of the current LAP allocation: flexibility. There are relatively few restrictions on use of LAP funds, and several surveyed program directors (13 of 38) mentioned the importance of having flexibility to blend resources and design district- or building-specific strategies to assist struggling students. Many stressed that LAP should stay as aligned as possible with Title I to avoid unnecessary bureaucracy in administering two different programs with the same overall objective.

Revising the LAP Funding Formula

There are four steps to creating a new funding formula for LAP. The 2001 Legislature directed the Institute to "examine options for revising the state's funding formula for the learning assistance program to enhance accountability for school performance in meeting education reform goals."[88] The findings of this study raise a number of issues associated with the LAP program and the funding formula and offer opportunities for policymakers to make adjustments.

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[85] Twelve districts reported no poverty information to OSPI between 1996 and 2000. The number of districts that do not report varies from year to year and can be as high as 20. Technical Appendix IV compares the relative predictive strength of various poverty indicators on different test scores as well as the attributes of FRL and Census estimates as possible funding drivers for LAP.

[86] Office of the Superintendent of Public Instruction, *Organization and Financing of Washington Public Schools* (Olympia, WA: OSPI, February 2000), 24.

[87] The JLARC study also found lack of predictability an issue with the LAP formula and suggested that districts be allowed to carry over up to 10 percent of the annual allocation to the following school year. JLARC, *K-12 Learning Assistance Program,* 26. The Legislature implemented this recommendation, but program directors continue to identify lack of predictability as an issue with the funding formula (although several did note their appreciation of the carryover).

[88] ESSB 6153, Section 608(4), Chapter 7, Laws of 2001 2nd Special Session (2001–03 Biennial Appropriations Acts).

To create a new funding formula, policymakers must consider the following steps:

Step 1: What objectives is the funding formula intended to meet?

Step 2: What funding drivers could implement these objectives?

Step 3: If the formula has multiple objectives, what is the balance among them?

Step 4: What type of state oversight will be associated with LAP dollars?

Step 1: What objectives is the funding formula intended to meet?

One objective of the current LAP program is to enhance educational opportunities for students who are deficient in basic skills.[89] Presumably, every district enrolls some students who are struggling in school. According to statute, the state also desires efficient use of resources to meet the needs of students with the greatest academic deficits, in other words, some prioritization or targeting of resources based on need.[90] For this study, the Legislature asked for options to incorporate accountability and the goals of education reform into the LAP formula. Exhibit 19 illustrates these multiple objectives, along with possible ways a funding formula could be constructed to meet them.

Exhibit 19
Objectives and Funding Drivers for LAP

Possible Objectives	Ways to Meet Objectives	Possible Funding Drivers
Recognize that all districts have students who need extra assistance. Success with one group of students through improved test scores does not diminish the need to assist the next group.	**Base Funding** for all (or nearly all) districts.	• Low Test Scores *(Current)* • Overall Enrollment • Poverty
Make efficient use of resources by targeting relatively more funding to districts with students who have above-average need for assistance.	**Targeted Funding** for districts with greater needs.	• Above-Average Poverty *(Current)* • Below-Average Test Scores
Assist districts having difficulty meeting education reform goals, but require additional accountability and monitoring in use of LAP funds.	**School Improvement Funding** for districts not making progress, with conditions on use of funds.	• Lack of Improvement in District WASL Scores

[89] RCW 28A.165.012.
[90] RCW 28A.165.050.

Step 2: What funding drivers could implement these objectives?

Base Funding. The current formula allocates 93 percent of LAP money according to low test scores. This approach to "base" funding provides resources to nearly all districts but fails to recognize that success with one group of students does not diminish the need to provide additional assistance to incoming students. Another option would be to provide base funding according to overall enrollment in the district. Alternatively, the state could make the same assumption for LAP that Congress does for Title I: a sufficient relationship exists between student poverty and student performance to warrant driving funding based on indicators of poverty.

Targeted Funding. By allocating money according to above-average student poverty, the current LAP formula acknowledges that some districts face particular challenges in improving student performance. However, only 7 percent of the total allocation is based on this factor. Basing more of the LAP formula on above-average poverty would increase the targeting of LAP resources toward areas with greater needs. Alternatively, the state could target resources toward districts with below-average test scores. This policy runs the risk of a "test effect" of reduced funding when districts successfully improve scores for one group of students.

School Improvement Funding. To be aligned with accountability and state education reform, a portion of LAP funding could be based on state goals for three-year improvement of student performance, as measured by the WASL. The state could also place certain expectations on districts receiving school improvement funding to enhance accountability for effective use of these additional resources. For example, districts could be expected to use additional school improvement resources to accomplish a specific goal or implement a particular program.

Step 3: If the formula has multiple objectives, what is the balance among them?

If LAP funds are intended to meet multiple objectives, policymakers will need to balance the relative importance of each objective within the LAP formula. The current formula results in a broad distribution of funds to nearly all districts in the state, with a small proportion of funding targeted to those with above-average needs: "base" funding is most important within the current formula.

An alternative for policymakers would be to target limited resources for remediation from LAP more heavily toward districts with greater need for assistance. In this case, "targeted" funding would become more important.

Any decision to change the relative importance of an objective or change a funding driver presents tradeoffs for policymakers because some districts gain and others lose funds compared with the current LAP formula (assuming no increase in overall funding). In testing various funding drivers, the Institute identified the following tradeoffs for policymakers to consider:

- If funding is based on **overall enrollment**, the effect is to redistribute funds more **evenly across all districts but away from comparatively "needy" districts** (with high poverty and/or low test scores).

- **Increasing the weight of poverty** as a funding driver **causes a significant redistribution** of LAP funds compared with the current formula. Districts with average or only slightly above-average poverty that are still experiencing difficulty with test scores lose LAP funds. Student poverty is not a perfect predictor of test scores.

- Because WASL scores are changing rapidly, **basing funding on below-average or improved WASL scores produces a larger test effect** than the current LAP formula. To minimize a test effect, funding associated with WASL scores could be a limited proportion of overall funding.

If a new formula is adopted, policymakers may want to consider a temporary "hold-harmless" provision to continue funding for districts that lose a significant proportion of their LAP allocation as the result of the formula change.

Step 4: What type of state oversight will be associated with LAP dollars?

Strictly speaking, state oversight is not directly related to the LAP funding formula. However, it is an aspect of accountability for use of LAP funds. Policymakers could consider the following three issues regarding state oversight of LAP:

- **Prescription in districts' use of LAP funds.** Currently, there are few state prescriptions on how districts allocate LAP dollars to buildings, which students they serve, or what program models they implement. If policymakers desire additional accountability for the LAP program, there could be additional prescriptions for how districts use LAP money.

- **Type of program reporting.** Current year-end reports for LAP and Title I focus on program inputs. Due to the expansion of schoolwide programs, however, identification and reporting on students receiving LAP services is less and less consistent. The state could demand greater rigor in district reports, but the overall trend is for districts to blend programs and use multiple fund sources to implement special reading programs or enhance tutoring for low-achieving students. An alternative would be to have OSPI and districts report on the desired outcome of remediation funding: gains in performance for low-scoring students.

- **Type of fiscal monitoring.** LAP is a categorical program where LAP dollars must be accounted for separately from other resources. Schools label students and teachers as "LAP" solely for purposes of state fiscal monitoring. In practice, it is difficult to distinguish among interventions funded from LAP dollars and those supported by other resources. An alternative would be to allow districts full discretion in determining how best to combine LAP with other resources. Accountability for efficient and effective use of funds could occur through state monitoring of overall improvement in student performance, particularly for low-scoring students.

Three Sample Funding Formulas

The Institute developed three sample formulas for LAP using a three-tiered approach (base funding, targeted funding, and school improvement funding). Because there are countless possible variations in the choice and relative weight of funding drivers, these formulas serve only as examples to illustrate the redistribution of funds using various combinations of funding drivers. If policymakers adopt a new formula, OSPI would need to update information on test scores, enrollment, and other factors to obtain more accurate estimates. Decisions would also be needed on how to allocate funding in cases where there is no data (such as districts that do not report Free and Reduced Lunch).

- **Formula 1: Test Scores + Above Average Poverty** relies on the same funding factors as the current formula, but places a greater weight on above-average poverty. Among the three alternatives, this formula results in the least redistribution among districts compared with the current formula. If districts are "held harmless" for one year for a loss of funding greater than 10 percent as a result of the new formula, the estimated cost would be $4 million.

- **Formula 2: Poverty + Below Average Test Scores** assumes that student poverty can predict approximately half of student test scores but relies on below-average test scores to target districts with greater needs. This combination of factors ensures continued funding for some, but not all, districts where poverty is not a good predictor of test scores. To hold districts losing more than 10 percent of their LAP allocation harmless would cost approximately $8 million.

- **Formula 3: Minimum Poverty Threshold** contains no base funding. Rather, it assumes that LAP dollars should be targeted only to those districts above a minimum threshold of need (assuming poverty is an appropriate indicator of need). As expected, this formula results in the most redistribution of funds among districts, with $9 million estimated for holding districts harmless for greater than 10 percent loss of their LAP allocation.

Each formula includes a small (10 to 25 percent) **school improvement funding tier** to provide additional assistance to districts where WASL scores have not improved during the previous three years, using the criteria adopted by the A+ Commission.[91]

For comparison purposes, the current formula is displayed in Exhibit 20, and the three alternative formulas are summarized in Exhibits 21, 22, and 23 using data for the 2000–2001 school year. Additional detail is provided in Appendix E.

[91] The A+ Commission criteria expect districts to decrease the percentage of students not meeting state standards in reading and math by at least 25 percent over a three-year period, with a baseline of the 2001 WASL (WAC 3-20-100). It is not yet known which districts will meet this improvement goal. For purposes of estimation only, the Institute applied the same criteria to districts' WASL scores for the three-year period between 1998 and 2001. High school scores are only available beginning in 1999.

Exhibit 20
Current LAP Formula

Current Formula: Test Scores + Above Average Poverty			
Objectives	Distribute funding broadly based on low test scores, and target some resources toward districts with above-average need for assistance (based on student poverty).		
Funding Drivers	Base Students in Lowest Quartile on Standardized Tests	Targeted Poverty (Free and Reduced Lunch) Above State Average	School Improvement None
Formula Weight	93%	7%	0%
Allocation of Dollars ($ in millions)	$69	$5	$0

Exhibit 21
Sample Funding Formula 1

Formula 1: Test Scores + Above Average Poverty			
Objectives	Distribute funding broadly according to low test scores, but increase targeting of resources to districts with above-average need for assistance (based on student poverty). Provide a small amount of supplemental resources for districts having difficulty meeting state improvement goals.		
Funding Drivers	Base Students in Lowest Quartile on Standardized Tests	Targeted Poverty (Free and Reduced Lunch) Above State Average	School Improvement Lack of Three-Year Improvement in Students Meeting WASL Standards
Formula Weight[92]	65%	25%	10%
Allocation of Dollars ($ in millions)	$48	$19	$7
Redistribution Compared With Current Formula		# Districts	% Students
	Increase of 25% or more	35	11%
	Increase of 11–24%	44	15%
	Change of 10% or less	55	16%
	Decrease of 11–24%	89	52%
	Decrease of 25% or more	73	7%
Hold Harmless[93]	$4 million for districts with greater than 10% impact		
Analysis of Impact	• Greater weight for targeted funding based on above-average poverty causes increases for districts with more than 40 percent FRL. • Districts experiencing significant decreases have below-average poverty and above average test scores. • Small districts (fewer than 500 students) are more affected by this formula (positively or negatively than large districts.		

[92] The formula weight determines the redistribution of current LAP funding for the first year of the new formula: 65 percent of the allocation driven out through base factors, 25 percent through the targeted factors, and 10 percent through the school improvement factors. After the first year, the relative weights could shift depending on actual changes in enrollment, test scores, or poverty.
[93] This estimate reflects a one-year cost to pay districts for any decrease in LAP allocations of greater than 10 percent from the new formula compared with what they would have received under the current formula.

Exhibit 22
Sample Funding Formula 2

Formula 2: Poverty + Below Average Test Scores			
Objectives	Assume that student poverty can predict approximately half of student test scores, but further target those districts with below-average scores. Rely on standardized tests on the assumption that they will be more stable over time. For districts having difficulty meeting state improvement goals, provide supplemental resources.		
Funding Drivers	Base Percent of FRL-Eligible Students	Targeted Standardized Test Scores Below State Average	School Improvement Lack of Three-Year Improvement in Students Meeting WASL Standards
Formula Weight	50%	30%	20%
Allocation of Dollars ($ in millions)	$37	$22	$15
Redistribution Compared With Current Formula		# Districts	% Students
	Increase of 25% or more	72	11%
	Increase of 11–24%	39	5%
	Change of 10% or less	63	11%
	Decrease of 11–24%	27	14%
	Decrease of 25% or more	95	59%
Hold Harmless	$8 million for districts with greater than 10% impact		
Analysis of Impact	• Districts experiencing significant decreases have less than 40 percent FRL and above-average test scores. • The combination of poverty factors along with low test scores ensures continued funding for some, but not all, districts where poverty is not a good predictor of test scores. Some districts with high poverty but also high test scores experience a decrease in funding. • Large districts are more likely to experience significant decreases. Half of districts with large increases are small (fewer than 500 students), and the size of their increase is significant.		

Exhibit 23
Sample Funding Formula 3

Formula 3: Minimum Poverty Threshold			
Objectives	In order to maximize limited resources, set a minimum threshold for district eligibility for LAP assistance. Assume that student poverty is an appropriate indicator of district need for additional remediation resources. For districts having difficulty meeting state improvement goals, provide additional supplemental resources.		
Funding Drivers	Base None	Targeted Poverty (Free and Reduced Lunch) Above 15%	School Improvement Lack of Three-Year Improvement in Students Meeting WASL Standards
Formula Weight	0%	75%	25%
Allocation of Dollars ($ in millions)	$0.0	$56	$18
Redistribution Compared With Current Formula		# Districts	% Students
	Increase of 25% or more	110	21%
	Increase of 11–24%	45	18%
	Change of 10% or less	46	14%
	Decrease of 11–24%	19	10%
	Decrease of 25% or more	76	36%
Hold Harmless	$9 million for districts with greater than 10% impact		
Analysis of Impact	• Because this formula has no “base” funding aimed at broadly distributing funds to most or all districts, nearly 50 districts lose more than 50 percent of their LAP funding. • However, districts experiencing significant decreases tend to have average to below-average poverty and average or slightly above-average test scores. • Neither small nor large districts appear more likely to experience significant decreases. Half the districts with large increases are small (fewer than 500 students).		

Areas for Further Research

Statewide data can be used to identify schools and districts having success in improving the performance of low-achieving students. As mentioned, relying on statewide averages to examine trends in student performance hides individual schools or districts that have above-average results in improving student test scores. OSPI or other researchers could identify these successful programs and conduct in-depth analyses of the staffing patterns, program models, coordination of LAP, Title I and other resources, and other factors that may be contributing to their success. The results of this analysis could be used to set standards or guidelines for use of LAP dollars or simply provide helpful information to other districts.

Schoolwide programs are expanding rapidly, but little in-depth analysis has been done on their effectiveness. National evaluations of schoolwide programs have found that when schools implement schoolwide programs they tend to reduce class size, expand staff development and parent involvement, and strengthen their curriculum (often by adopting a comprehensive reform package such as Success for All). But researchers also note that the degree of implementation of these strategies varies widely among schools. Research is limited on the effect of schoolwide programs on student performance. Available evidence suggests impacts have been small, due in part to variability in implementation.[94]

It is worthwhile taking a closer look at student performance in schoolwide programs and how these programs are being implemented because of their rapid expansion and the continued interest by federal policymakers and educators in this model of providing assistance for struggling students. In Washington, there were six times as many buildings implementing LAP and Title I programs using a schoolwide model in 1999 as there were in 1995. The 2001 ESEA further expands eligibility for a schoolwide program to buildings with at least 40 percent poverty (down from 50 percent).

Summary: Revisions to LAP Funding Formula

- Studies, including this one, have identified **various concerns with the current LAP formula**. If test scores improve for one class of students, districts receive less LAP money to assist incoming classes. This **"test effect" caused a 1 percent decrease in funding statewide** between 1999–2000 and 2000–2001.

- State and federal accountability rely on WASL scores rather than standardized test scores, but **basing the LAP formula on the WASL could lead to a larger test effect**.

- Because **approximately half (48 percent) of the variation in a district's test scores can be explained by student poverty**, recommendations have been made to base the LAP formula on poverty.

[94] Kenneth Wong and Stephen Meyer, "Title I Schoolwide Programs: A Synthesis of Findings from Recent Evaluations," *Educational Evaluation and Policy Analysis* 20, no. 2 (Summer 1998): 115-136.

- There are **multiple possible objectives** to be met through the allocation of LAP funds. One way to meet these objectives is to rebuild the LAP formula using multiple tiers: a **funding base for remediation in all districts**, **targeted funding for districts with greater needs**, and **school improvement funding associated with accountability** under education reform.

- Policymakers would need to **balance the relative importance of multiple objectives** within a new LAP formula. In other words, is it more important to **distribute funds broadly** to most school districts? Or is it more important to **target limited resources to districts with greater needs**?

- Policymakers could also decide to **change state oversight of the LAP program.** Options include **additional prescriptions** for how districts use LAP money, requiring districts to report information about **program outcomes rather than inputs**, and **eliminating the requirement that LAP funds be tracked separately** from other resources.

- **Three sample funding formulas for LAP are provided to illustrate possible tradeoffs and redistribution of funds among districts** compared with the current formula.

CONCLUSION

The 2001 Legislature directed the Washington State Institute for Public Policy (Institute) to examine options for revising the LAP funding formula to enhance accountability in meeting education reform goals. Because state LAP and federal Title I have similar objectives and are managed in tandem, this study examines both programs.

How Funds Are Currently Allocated

There is broad distribution of both LAP and Title I funds to nearly all school districts and most school buildings in the state. Districts follow several patterns in prioritizing the allocation of LAP and Title I resources among buildings. Focus is placed on early intervention by dedicating most money to elementary schools. Districts also rely on poverty factors in making allocation decisions for LAP dollars, even though the state allocates LAP funds based primarily on test scores. And, for most districts, LAP serves as a supplement to Title I by allowing districts to provide state remediation dollars to buildings that are not eligible for federal dollars.

How Funds Are Currently Spent

Given that districts prioritize their allocation of funding to elementary schools, it is no surprise that more than 80 percent of LAP and Title I students are in grades K–6. In year-end reports to OSPI, districts report dramatic increases in the number of LAP and Title I students over the last five years. However, current reports on participation in LAP and Title I are not comparable to previous reports. The suspected cause of this inconsistency is the dramatic expansion of schoolwide programs, which do not explicitly identify eligible students but provide students with additional assistance on an as-needed basis.

Surveyed districts rely on a blend of in-class and pull-out models of remedial assistance, with a slight tendency toward an in-class approach. There are no common criteria across districts for eligibility or exit from LAP or Title I. According to program directors, increased integration of LAP and Title I instruction with the regular classroom and other initiatives such as class-size reduction has been an increasing trend. The effect of this activity is to blur distinctions among programs and various efforts to assist low-achieving students.

What Is Known About Student Performance

Statewide, test scores are improving, with faster improvement for elementary students and in WASL scores (compared with standardized test scores). Even though districts and buildings monitor performance of LAP and Title I students at the local level, monitoring performance of LAP and Title I students at a state level is more problematic. State tests include an indicator for LAP and Title I students, but inconsistencies in reporting raise questions about the reliability of these data.

The Institute examined how LAP and Title I may be related to student performance. Given the limitations of available statewide data, no definitive conclusions could be drawn about the effect of LAP and Title I on student test scores. Annual tests in grades 3 through 8, which are required by the 2001 ESEA, may improve the state's ability to monitor students who are low-performing but not necessarily those who are in LAP or Title I.

Possible Revisions to LAP Funding Formula

Various studies have identified concerns with the current LAP formula. If test scores improve for one class of students, districts receive less LAP money to assist incoming classes. This "test effect" is small, but measurable. Under education reform, schools are focused on WASL scores rather than standardized test scores. However, because WASL scores are improving at a faster rate (and theoretically could continue to improve so that there are no low-achieving students), basing the LAP formula on the WASL could lead to a larger test effect on LAP funding. Because approximately half of the variation in a district's test scores can be explained by student poverty, recommendations have been made to base the LAP formula on poverty.

There are multiple possible objectives to be met through the allocation of LAP funds. One way to meet these objectives would be to rebuild the LAP formula using multiple tiers: a funding base recognizing need in all districts for assistance with remediation, targeted funding for districts with greater needs, and school improvement funding tied to accountability under state education reform.

Different funding drivers could be used to meet each objective. Policymakers would also need to balance the relative importance of each objective within a new LAP formula. In other words, is it more important to distribute funds broadly to most school districts? Or is it more important to target limited resources to districts with greater needs? Policymakers could also decide to change state oversight of the LAP program, placing a greater emphasis on program outcomes than inputs.

The Institute developed three sample formulas for LAP:

- Formula 1: Test Scores + Above Average Poverty
- Formula 2: Poverty + Below Average Test Scores
- Formula 3: Minimum Poverty Threshold

Each formula includes a school improvement factor to provide additional assistance to districts where WASL scores have not improved during the previous three years.

Because there are countless variations in the combination of funding drivers and their relative weights, the formulas serve only to illustrate possible tradeoffs and redistribution of funds among districts compared with the current formula.

APPENDIX A. TELEPHONE SURVEY OF DISTRICT LAP/TITLE I PROGRAM DIRECTORS

To obtain additional information about practices in school districts regarding LAP and Title I programs, the Institute selected 50 school districts for in-depth telephone interviews with LAP/Title I program directors. The Social and Economic Sciences Research Center (SESRC) of Washington State University conducted the interviews using a protocol developed by the Institute and field-tested with North Thurston, Spokane, and Seattle school districts. Each interview lasted between 45 minutes to an hour.

Information Gathered

Interviews covered the following questions:

1. Setting Priorities

- Does your district set aside some LAP money for district-wide programs or services?
- How does your school district allocate the remaining LAP money to school buildings? Do you focus first on certain grade ranges (elementary, middle) or grade levels (first, second)?
- How is the allocation of LAP money related to the allocation of Title I money?
- How is the amount of money that goes to each building determined?

2. Combining Resources

- Are local funds used to supplement LAP and/or Title I?
- How did your district allocate Initiative 728 funds?
- How did your district allocate Better Schools or federal class-size reduction funds?

3. Strategies to Assist Students

- How are students identified as needing LAP services?
- How do students "exit" LAP?
- How do you measure whether or not LAP is working for students?
- What models of assistance are you using (e.g., pull-out, in-class, replacement)?

4. Advice to State Policymakers

- Is there anything you think the Legislature should change about the LAP program in terms of how the money is sent to school districts or other regulations?

Sampling and Response Rates

Because interviews are a time-intensive way to gather information, the sample of districts was limited to 50; therefore, the Institute purposefully over-sampled school districts with higher student enrollment. Of the 50 districts contacted, interviews were conducted with 38 (76 percent). The remaining districts either declined or could not make arrangements to be interviewed within the time frame of the survey process.

Exhibit A-1 shows the over-sampling of larger districts: only 6 percent of districts with fewer than 5,000 students (the vast majority of school districts in the state) are represented in the survey. Nearly half the interviews, however, took place with medium to large-sized districts: 46 percent of the surveyed districts enroll between 5,000 and 15,000 students. Surveyed districts enroll 30 percent of the students in the state.

Exhibit A-1
Institute Survey LAP/Title I Program Directors

	All Districts		Survey Respondents		
Size of Enrollment	**Number of Districts**	**Percent of All Districts**	**Number of Districts**	**Percent of Respondents**	**Percent of All Districts**
<5,000	238	80%	14	37%	6%
5,001–10,000	28	10%	13	34%	46%
10,001–15,000	15	5%	5	13%	33%
>15,000	15	5%	6	16%	40%
Total	296	100%	38	100%	13%

As a result of the over-sampling, survey responses should not be considered representative of small school districts in Washington. School districts with fewer than 5,000 students enroll just over one-fourth (27 percent) of the state's K–12 students.

Surveyed school districts are nearly evenly divided among five geographic regions of the state: Puget Sound, Northwest, Southwest, Central, and Eastern Washington.

APPENDIX B. LAP FUNDING FORMULA: 2000–2001

State statute defers to the biennial operating budget for the LAP funding formula. RCW 28A.165.070 provides the following guidance:

(1) For the 1995-96 school year and thereafter, the superintendent of public instruction shall distribute funds appropriated for the learning assistance program in accordance with the biennial appropriations act. The distribution formula shall be based upon an assessment of students and a poverty factor.

(2) The distribution of funds is for allocation purposes only.

Exhibit B-1 illustrates the funding formula for the 2000–2001 school year. The unit cost for that year was $418.27, a figure which is adjusted whenever there are salary and benefit increases approved by the Legislature.

Exhibit B-1
LAP Funding Formula to School Districts (2000–2001)

Test Scores			Poverty
Percent of Students Scoring in the Lowest Quartile on:			District Percent of Students Eligible for FRL *minus* State Average Percent FRL*
3rd Grade Test (ITBS)*	**6th Grade Test (ITBS)***	**9th Grade Test (ITED)***	
multiplied by	*multiplied by*	*multiplied by*	*multiplied by*
District FTE Student Enrollment in	District FTE Student Enrollment in	District FTE Student Enrollment in	District FTE Student Enrollment in
K–6	**7–9**	**10–11**	**K–12**
multiplied by	*multiplied by*	*multiplied by*	*multiplied by*
Unit Cost	**Unit Cost**	**Unit Cost**	**Unit Cost**

**The formula uses a five-year rolling average of district test scores to minimize year-to-year fluctuation. Test score factors are then multiplied by .92 and the poverty factor by .223. This adjustment occurred when the poverty factor was added to the funding formula.*

For 2002–03, test score factors will be multiplied by .82 to reflect increases in Title I funding for school districts. Districts that receive less than a 3 percent increase in Title I funds will be held harmless.

APPENDIX C. CRITERIA FOR SCHOOL IMPROVEMENT ASSISTANCE

For the 2001–02 school year, the Office of the Superintendent of Public Instruction (OSPI) is using the following criteria, developed by the A+ Commission, to identify elementary and middle schools under Title I or state-funded focused assistance accountability efforts.[95]

Elementary

READING

Improvement: For the following three criteria, the school had a three-year average of fewer than 40 percent of students meeting the 4th grade **WASL reading standard** and:

1) Did not meet the state minimum **Reading Improvement Goal** by the end of the 2000–2001 school year.
2) Did not make a .25 gain on the reading **Learning Improvement Index** from 1998 to 2001.
3) Did not reduce the percentage of students in reading **Level 1** by 25 percent from 1998 to 2001.

Achievement:

4) The school had a three-year average of fewer than 30 percent of students meeting the **WASL reading standard**.
5) The school had a three-year average below the 35th percentile National Percentile Rank on the reading component of the 3rd grade **ITBS**.

MATHEMATICS

Improvement: For the following two criteria, the school had a three-year average of fewer than 25 percent of students meeting the **WASL mathematics standard** and:

1) Did not make a .25 gain on the mathematics **Learning Improvement Index** from 1998 to 2001.
2) Did not reduce the percentage of students in mathematics **Level 1** by 25 percent from 1998 to 2001.

Achievement:

3) The school had a three-year average of less than 20 percent of students meeting the **WASL mathematics standard**.
4) The school had a three-year average below the 35th percentile National Percentile Rank on the mathematics component of the 3rd grade **ITBS**.

[95] OSPI*, Washington State Preliminary Consolidated Plan,* 26.

Middle/Junior High

READING

Improvement: For the following two criteria, the school had a three-year average of fewer than 25 percent of students meeting the 4th grade **WASL reading standard** and:

1) Did not make a .25 gain on the reading **Learning Improvement Index** from 1998 to 2001.
2) Did not reduce the percentage of students in reading **Level 1** by 25 percent from 1998 to 2001.

Achievement:

3) The school had a three-year average of less than 20 percent of students meeting the **WASL reading standard**.
4) The school had a two-year average below the 35th percentile National Percentile Rank on the reading component of the sixth grade **ITBS** or ninth grade **ITED**.

MATHEMATICS

Improvement: For the following two criteria, the school had a three-year average of fewer than 20 percent of students meeting the **WASL mathematics standard** and:

1) Did not make a .25 gain on the mathematics **Learning Improvement Index** from 1998 to 2001.
2) Did not reduce the percentage of students in mathematics **Level 1** by 25 percent from 1998 to 2001.

Achievement:

3) The school had a three-year average of less than 15 percent of students meeting the **WASL mathematics standard**.
4) The school had a three-year average below the 35th percentile National Percentile Rank on the mathematics component of the 6th grade **ITBS** or 9th grade **ITED**.

APPENDIX D. REMEDIAL EDUCATION IN OTHER STATES[96]

To determine the extent other states provide special funding and programs similar to the Learning Assistance Program (LAP), the Institute conducted a 50-state survey, via e-mail and telephone, supplemented by information available on-line from state departments of education. Thirty-nine states responded to the survey.

Of the responding states, 17 fund programs for low-achieving students (including Washington) and 21 do not. Insufficient information was available regarding the 11 remaining states. Summary information from the 17 states funding remedial education is presented in Exhibit D-1.

Basis for Allocation

States tend to rely on either test scores or indicators of poverty as a basis for allocating remediation funds to school districts. Four states (Kansas, Louisiana, Minnesota, and Rhode Island) rely solely on proportions of students eligible for federal Free and Reduced Lunch (FRL) to allocate funds. Illinois uses 1990 Census data on poverty.

Six states (Idaho, Massachusetts, New York, Oklahoma, Pennsylvania, and Florida) allocate funds based solely on the proportion of students scoring poorly on assessment tests. Maryland and Ohio also rely primarily on state assessment tests but incorporate a factor adjusting for relative wealth (e.g., property tax burden) in the district. Texas allocates funds based on low assessment test scores and students in grades 7 through 12 who are failing two or more subjects.

Only two states have created funding formulas that incorporate indicators of both poverty (FRL) and low-test scores: Georgia and Washington.

In response to fiscal pressures, New York cut funding during the 2001–02 school year, and Florida reduced funding for their remediation programs for the 2002–03 school year.

Target Population

Few states require a direct correlation between the funding formula assumptions and the students intended to be served in the program. For example, in Massachusetts, the basis for allocation is determined by number of students scoring in the lowest two levels on the state assessment in grades 2 through 10. Funds must target these same students. Four other states have similar direct links between the state funding assumptions and the target population of students.

Most states (13), are similar to Washington in that school districts have discretion in identifying which students will receive services according to general state expectations. These expectations may differ somewhat from the formulas used to generate funds. In

[96] The research and analysis in this section was completed by Courtney Lyon, Research Intern with the Institute.

Washington, the LAP funding allocation is primarily based on the proportion of students scoring in the lowest quartile on state standardized tests. However, the target population for LAP services is students who are performing below grade level on basic skills and are most at risk of not meeting state learning standards. Students are selected using multiple measures, not just standardized test scores.[97]

Four states (Idaho, Massachusetts, Oklahoma, and South Carolina) use their standards-based state assessments to determine which students receive remedial services. Pennsylvania uses national standardized test scores. The more flexible criteria of "classroom performance below grade level" is the determining factor for 13 states, including Washington. Texas and Michigan are similar to Washington in that they use funds for students with either category of low-test scores or below a specific grade level.

Targeting of Funds by Grade Level

According to state funding assumptions, Washington's LAP program supports students in Kindergarten through 11th grade. In practice, however, 81 percent of LAP students are in grades K through 6. School districts in three other states (Minnesota, Louisiana, and Michigan) also target their resources toward elementary school students. The reverse is true in three states (South Carolina, Texas, and Kansas), where school districts choose to direct the majority of state funding for remediation to the secondary schools because Title I supports programs at the elementary level.

In six states, funding is allocated based on, and limited to, serving elementary school students. Five states (New York, Florida, Massachusetts, Illinois, and Maryland) mandate that state remediation funding be spent at all grade levels.

Use of Funds

The primary goal of remediation is to provide supplemental instructional services to help low-achieving students. Nearly every state provides school districts with substantial flexibility in the strategies they choose to implement this goal. Funds are used for small group instruction, tutoring, and extended learning time (before and after school, summer school).

A few states, however, have taken a slightly different approach to their remediation programs. For instance, the primary aim (and result) of the Georgia Early Intervention Program (EIP) is class size reduction in grades K through 5. The EIP provides a substantial amount of money: $193 million in 2000–2001 in a state with approximately 50 percent more students than Washington. Depending on the model of remediation a school chooses (pull-out or in-class supplemental assistance), maximum class sizes are dictated from the state. Another approach is being tried in Pennsylvania: parents of students performing poorly on state assessment test may opt to receive a $500 voucher to hire a tutor (who must be a certified teacher). This $24 million program was only recently enacted, and no data is available on how many parents have chosen the voucher option.

[97] WAC 392-162-080: Program requirement – Selection of students.

Exhibit D-1

Comparison of State Funding for Remediation

State and Program	State Funds Number of Students Total K–12 Enrollment	Target Population	Basis for Allocation	Use of Funds
Washington Learning Assistance Program	$74 million (2000–2001 estimated) 120,000 K–12: 1 million	Students deficient in basic skills and performing below grade level, determined by district through multiple measures (grades K–11).	93 percent based on proportion of students scoring in lowest quartile on national tests. 7 percent based on above-average student poverty in district (FRL).	Districts focus primarily on elementary students.
Florida Supplemental Academic Instruction Program	$663 million (2000–2001) 2 million (duplicated count) K–12: 2.4 million	Students scoring at lowest level on state competency test (grades 4–10). Students retained at same grade level.	Flat dollar amount provided for each FTE student in the target population in grades 4–10.	Most districts focus on overall class size reduction.
Georgia Early Intervention Program	$193 million (2000–2001) 66,000 K–12: 1.4 million	Low performing students in grades K–5.	Funding formula combines poverty (FRL) and proportion of students scoring in lowest quartile on state standardized tests.	EIP serves as a significant class size reduction initiative in grades K–5.
Idaho Literacy Program	$4 million (1999–2000) 13,000 K–12: 245,000	Students in grades K–3 scoring below grade level on Idaho Reading Indicator test.	$150 per student in the target population.	Students must receive an additional 40 hours of reading intervention.
Illinois Supplemental General State Aid	No information available No estimate available K–12: 2 million	School districts determine which students receive services.	Funding based on poverty (1990 census). Per-student amount is a sliding scale based on the proportion of poor students in the district (range: $350 to $2,080).	No information available.
Kansas At-Risk Pupil Assistance Program	$38 million (2000–2001) 128,000 K–12: 469,000	Academically at risk (at risk of retention, dropping out, or failing to graduate).	Funding based on poverty (FRL). $343.80 per student in the target population.	Many districts focus on secondary students to supplement Title I (which is targeted at elementary).

State and Program	State Funds Number of Students Total K–12 Enrollment	Target Population	Basis for Allocation	Use of Funds
Louisiana Reading and Math Initiative At-Risk Students	 $29 million (2001–02) No estimate available $37 million (2001–02) 72,000 eligible K–12: 710,000	 Students in K–3 with low achievement in reading and math. No information available.	 No information available. Funding based on poverty (FRL). $513.40 per student in the target population.	 No information available. Most districts focus on elementary students.
Maryland Dedicated State Compensatory Education Program	$28 million (2000–2001) No estimate available K–12: 847,000	Title I guidelines.	Funding based on poverty (FRL) and uses same allocation criteria as Title I. Level of funding also adjusted for relative wealth of the school district.	Supplemental instruction, family literacy, preschool programs.
Massachusetts Academic Support Services Program	$20 million (2000–2001) 42,906 K–12: 976,000	Students scoring in lowest two levels on state achievement tests (grades 2–10).	Flat dollar amount provided for each student in the target population.	No information available.
Minnesota Compensatory Revenue	$214 million (2000–2001) No estimate available K–12: 857,000	Students whose progress is below grade level.	Funding based on poverty (FRL). Per student amount is a sliding scale based on the proportion of poor students in the district. Districts must allocate to buildings using the same assumptions.	Most districts focus on elementary students.
New York Academic Intervention/Pupils of Compensatory Educational Need	$300 million (2000–2001) No estimate available K–12: 2.9 million	Students scoring below designated performance levels on state assessments or who are at risk of failing state standards.	Flat dollar amount provided based on the number of students failing the state assessment.	Funds must be used for additional instruction time.

State and Program	State Funds Number of Students Total K–12 Enrollment	Target Population	Basis for Allocation	Use of Funds
Ohio	$15 million (2000–2002) 100,000 K-12: 2 million	Low achieving students (grades K–3).	Funding based on proportion of students who fail three of five subjects on state standardized test in grade 4; adjusted for relative wealth of district. An additional $850 per K–3 FTE is provided for buildings where 10 percent or more students score "well below proficient."	No information available.
Oklahoma Reading Sufficiency Act	$5 million (2000–2001) No estimate available K-12: 633,000	Students scoring below standard on annual district reading assessments (grades 1–3).	$131 per student in the target population.	Tutoring or extended learning programs.
Pennsylvania Classroom Plus	$24 million (2001–2002) No estimate available K-12: 1.8 million	Students scoring in lowest quartile on national reading and math tests (grades 3–6).	$500 per student in the target population.	Parents may obtain a voucher to purchase supplemental tutoring by certified teachers.
Rhode Island Literacy/Dropout Prevention Program	$13 million (2001–2002) No estimate available K-12: 156,000	Students failing or at risk of failing state literacy performance standards. Targets students in grades K–3, but may be used in grades 4–12.	Funding based on poverty (FRL).	No information available.
South Carolina Intervention and Assistance	$9 million (2001–2002) No estimate available K-12: 647,000	Students scoring below average on state assessment tests.	Detailed information on funding formula not available.	Many districts focus on secondary students to supplement Title I (which is targeted at elementary).
Texas State Compensatory Education Program	$802 million (2000–2001) 1.6 million K-12: 4 million	Students scoring below average on state assessment tests. Students in grades 7–12 retained in same grade level or who fail two or more subjects.	Average of $500 per student in the target population.	No information available.

APPENDIX E. SAMPLE FUNDING FORMULAS

This appendix provides additional detail on the three sample funding formulas developed by the Institute for the LAP program. If policymakers adopt a new formula, the Office of the Superintendent of Public Instruction (OSPI) would need to update information on test scores, enrollment, and other factors. In particular, the following adjustments would be needed:

- Assigning the proportion of overall funding to be determined by each funding driver (e.g., its weight) is a policy decision. However, because the Institute assumed no increase in overall LAP funding, each formula contains an "adjustment factor" that serves to balance total funding from each driver with its intended weight. Updated data could alter this adjustment factor.

- To develop the school improvement driver, the Institute had to use the best WASL scores available: 1998 to 2001 for 4th and 7th grades, and 1999 to 2001 for 10th grade. The correct scores to use based on three-year improvement would have been 1997 to 2000 for all grade levels.

The school improvement factor is calculated as follows:

- For 4th, 7th, and 10th grades, calculate the percentage of students not meeting the state standard on the WASL (e.g., Levels 1 and 2, an average of reading and math).
- Calculate a "goal percentage": a reduction of 25 percent in students not meeting the standard between 1998 and 2001 (1999 and 2001 for 10th grade).
- The school improvement factor is the difference between the actual 2001 percentage of students not meeting the standard and the goal percentage. If a district met its goal, the factor is zero.

Exhibit E-2 illustrates the possible redistributive effects of each new formula compared with the current LAP formula for a sample of twenty school districts.

Exhibit E-1

Formula 1: Test Scores + Above Average Poverty

Funding Tier	Weight	Formula for 2000–2001	Adjustment Factor
Base	65%	2000–2001 K–6 FTE student enrollment *multiplied by* 5-year district average percent students in lowest quartile on 3rd grade test 2000–2001 7–9 FTE student enrollment *multiplied by* 5-year district average percent students in lowest quartile on 6th grade test 2000–2001 10–11 FTE student enrollment *multiplied by* 5-year district average percent students in lowest quartile on 9th grade test	.643
Targeted	25%	2000–2001 K–12 FTE student enrollment *multiplied by* 1999 district percent FRL minus state average percent	.747
School Improvement	10%	2000–2001 K–6 FTE student enrollment *multiplied by* School improvement factor for 4th grade WASL 2000–2001 7–9 FTE student enrollment *multiplied by* School improvement factor for 7th grade WASL 2000–2001 10–11 FTE student enrollment *multiplied by* School improvement factor for 10th grade WASL	.273

Exhibit E-1, continued

Formula 2: Poverty + Below-Average Test Scores

Funding Tier	Weight	Formula for 2000–2001	Adjustment Factor
Base	50%	2000–2001 K–12 FTE student enrollment *multiplied by* 1999 district percent FRL	.305
Targeted	30%	2000–2001 K–6 FTE student enrollment *multiplied by* (5-year district average percent students in lowest quartile on 3rd grade test *minus* state average percent) 2000–2001 7–9 FTE student enrollment *multiplied by* (5-year district average percent students in lowest quartile on 6th grade test *minus* state average percent) 2000–2001 10–11 FTE student enrollment *multiplied by* (5-year district average percent students in lowest quartile on 9th grade test *minus* state average percent)	2.88
School Improvement	20%	2000–2001 K–6 FTE student enrollment *multiplied by* School improvement factor for 4th grade WASL 2000–2001 7–9 FTE student enrollment *multiplied by* School improvement factor for 7th grade WASL 2000–2001 10–11 FTE student enrollment *multiplied by* School improvement factor for 10th grade WASL	.546

Exhibit E-1, continued

Formula 3: Minimum Poverty Threshold

Funding Tier	Weight	Formula for 2000–2001	Adjustment Factor
Base	0%	None	
Targeted	75%	2000–2001 K–12 FTE student enrollment *multiplied by* (1999 district percent FRL minus 15 percent)	.843
School Improvement	25%	2000–2001 K–6 FTE student enrollment *multiplied by* School improvement factor for 4th grade WASL 2000–2001 7–9 FTE student enrollment *multiplied by* School improvement factor for 7th grade WASL 2000–2001 10–11 FTE student enrollment *multiplied by* School improvement factor for 10th grade WASL	.682

Exhibit E-2

Possible Redistribution Effects of Sample Funding Formulas for LAP

	New Formula Compared to Current			Background Data			
District	***Formula 1:* Test Scores + Above-Average Poverty**	***Formula 2:* Poverty + Below-Average Test Scores**	***Formula 3:* Minimum Poverty Threshold**	**2000–2001 LAP Allocation (Institute Estimate)**	**FRL Poverty (October 1999)**	**Elementary Students in Lowest Quartile (5-Year Avg)**	**K–12 FTE Students (2000–2001)**
Seattle	+0%	-7%	+15%	4,151,359	41%	22.0%	44,156
Tacoma	+20%	+7%	+33%	3,318,931	49%	25.0%	30,618
Spokane	+14%	-21%	+39%	2,552,492	45%	20.5%	30,034
Kent	-23%	-38%	-25%	1,751,846	26%	20.2%	25,028
Lake Washington	-24%	-61%	-86%	859,513	8%	11.3%	22,614
Evergreen	-13%	-22%	-13%	1,432,923	24%	19.1%	20,842
Vancouver	+29%	+35%	+97%	1,618,734	39%	19.8%	20,501
Puyallup	-19%	-48%	-74%	1,061,051	14%	16.3%	18,712
Issaquah	-25%	-72%	-88%	422,764	5%	8.2%	13,333
Yakima	+30%	+80%	+4%	2,183,728	55%	43.2%	13,136
Bellingham	-23%	-28%	-16%	540,635	26%	16.9%	9,650
Richland	-14%	-10%	-15%	407,347	21%	12.3%	8,868
Pasco	+41%	+37%	+38%	1,044,537	55%	25.7%	8,139
North Kitsap	-25%	-26%	-10%	344,573	27%	13.6%	6,546
Moses Lake	+24%	+35%	+21%	716,890	45%	30.1%	6,058
Enumclaw	-10%	-30%	-51%	277,524	14%	17.7%	4,832
Toppenish	+24%	+107%	+3%	856,086	85%	58.8%	3,243
Ellensburg	-10%	+1%	+24%	152,609	27%	13.6%	2,717
Colville	+16%	-17%	+40%	198,231	46%	21.8%	2,240
Medical Lake	+10%	+18%	+69%	93,789	32%	10.0%	2,133

APPENDIX F: AGENCY RESPONSE