MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

28 JAN 2019

[redacted]

Dear [redacted]

Thank you for your email of 11 January 2019 to the Ministry of Education requesting the following information in relation to the internal paper, "International Approaches to Funding for Disadvantage (2017)":

1. *a copy of the above-mentioned internal MOE paper*

2. *If not included in the paper itself, the references or links to the original international education spend data referred to in the paper.*

Your request has been considered under the Official Information Act 1982 (the Act).

In relation to point one, please find the paper "International Approaches to Funding for Disadvantage (2017)" attached as **Appendix A**.

In relation to point two, we have interpreted this to relate to any references or links that were used in the development of the paper. The paper has been footnoted throughout with sourced material.

Please note, the Ministry now proactively publishes OIA responses on our website. As such, we may publish this response on our website after five working days. Your name and contact details will be removed.

Thank you again for your email. You have the right to ask an Ombudsman to review this decision. You can do this by writing to info@ombudsman.parliament.nz or Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely

Dr Andrea Schöllmann
Deputy Secretary
Education System Policy

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Appendix A

International approaches to funding for disadvantage

Introduction

This report reviews international approaches to funding for disadvantage to inform the Ministry's work on designing additional funding for students at risk of educational underachievement as part of the Review of Education Funding Systems. Of particular interest are:

- What indicators of disadvantage are used
- What proportion of the student population is targeted
- What proportion of overall funding is provided specifically for overcoming disadvantage
- Whether and how concentration of disadvantage is factored into funding allocations
- Whether disadvantage funding varies across year levels

Where relevant, information on specific accountability arrangements for this funding has also been included.

Funding for second language learners has not been included, except where this is not separable from other funding for disadvantage (Belgium and California). This needs to be taken into account when looking at the proportion of funding allocated for disadvantage in these two jurisdictions.

The table below summarises the findings of this review.

Jurisdiction	Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
New South Wales, Australia	Parental occupation and education, Aboriginal background	50% (SES) 7.2% (Aboriginal)	?	Yes	No	Two levels
Victoria, Australia	Parental occupation and education, prior achievement	?	5.8%	Yes (rate increases between 40% and 65%)	Higher in primary	Two levels
Belgium (Flemish Community)	Mother's qualifications, financial capacity, language, place of residence	?	14% of cash funding (primary) 10% of cash funding (secondary)	Minimum 10% or 25% in secondary for additional teaching hours	Yes	Yes
Chile	Low income	40%	16%	Yes (higher rate at 15%+)	?	No
England	Eligibility for free school meals, state care	27.9%	6%	None	Higher in primary	Two levels
Netherlands	Parental education (primary) Area-based income measure (secondary)	7% (secondary)	7% (primary) 0.6% (secondary)	None (primary) Minimum 30-65% to receive funding, depending on stream (secondary)	Yes	Two levels (primary) No (secondary)
Northern Ireland	Eligibility for free school meals, state care, Travellers, prior achievement	est. 30-35%	6.9%	Yes (three bands)	Higher in primary	Two levels
California, USA	Eligibility for free or reduced-price lunch, language, state care	63%	16%	Yes (higher rate at 55%+)	U-curve	No
Massachusetts,	Parental benefit receipt,	33%	12.8%	Yes (decile-based)	No	No

USA	state care					

A note on the impacts of school finance reforms in the United States

The PPTA report 'Real equity funding' cites a body of literature analysing the impact of school finance reforms in the United States that has found benefits to increased school spending.[1] In particular, Jackson, Johnson and Persico have found that exogenous increases in school spending had positive impacts on educational attainment and earnings, particularly for children from low-income families.[2]

Prior to the 1970s, schools in the United States were primarily financed through local property taxes. This led to inequalities in expenditure per student between high-income and low-income districts. There is a distinction between 'equalisation' policies that seek to reduce these differences in expenditure, and policies that provide higher levels of funding for students from disadvantaged background because of greater achievement challenges. This literature does not provide insights into the appropriate differential level of funding for overcoming barriers to learning faced by students from disadvantaged backgrounds.

New South Wales, Australia

Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
Parental occupation and education, Aboriginal background	50% (SES) 7.2% (Aboriginal)	?	Yes	No	Two levels

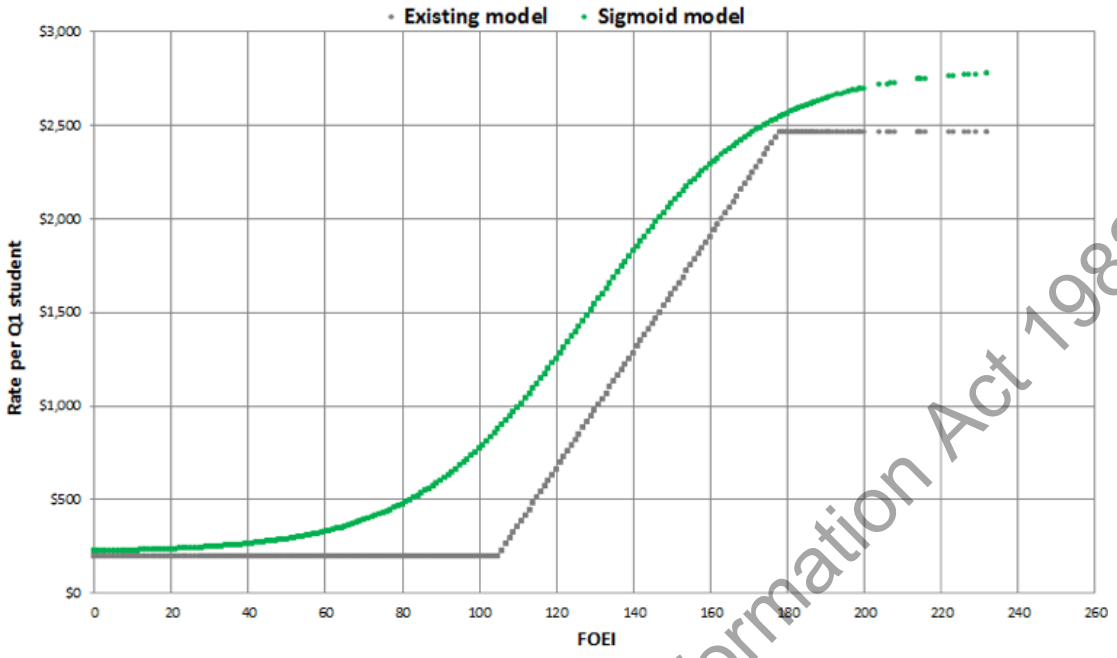
While each state and territory in Australia has its own funding system, they are mostly based on the recommendations of the Gonski Review, or are in the process of transitioning to a similar model. The Gonski Review recommended a funding system made up of base per student amount with additional loadings for certain school and student characteristics, including for socioeconomically disadvantaged students.

New South Wales uses the Family Occupation and Education Index (FOEI) to allocate funding for socioeconomic disadvantage. The FOEI combines information on parental education and occupation collected from enrolment forms. This measure was developed following research that identified that parental education was a strong predictor of student and school performance, with that predictive power enhanced when parental occupation is added.[3]

Students' FOEI scores are divided by quartile. Students in the lowest two quartiles receive additional funding, with students in quarter 1 funded at double the rate of students in quarter 2. The funding rates vary depending on the school's average FOEI score over the past two years, which reflects the concentration of disadvantage in the school (as shown in the graph below – the green line is the rates for 2017). Australian evidence shows that the socioeconomic status of a school affects the

[1] Post-Primary Teachers Association, 'Real equity funding: resourcing schools to support at risk learners', pp.5-6.
[2] C. Kirabo Jacksom, Rucker C. Johnson and Claudia Persico, 'The effects of school spending on educational and economic outcomes: Evidence from school finance reforms', NBER Working Paper no.20847, January 2015, accessed 11 November at http://www.nber.org/papers/w20847
[3] NSW Department of Education, 'Resource allocation model: Socio-economic background', http://www.dec.nsw.gov.au/about-the-department/our-reforms/local-schools-local-decisions/reform-agenda/resource-allocation-model/socio-economic-background

performance of students in that school, irrespective of their individual socioeconomic status.[4] An average is used to provide greater stability from one year to the next.



New South Wales also allocates additional funding to schools for Aboriginal students. The funding rate is dependent on the number and percentage of Aboriginal students in the school. This is in line with recommendations from the Gonski review, which were based on analysis of achievement data that showed significant disparities between Aboriginal and non-Aboriginal students, and that the higher the concentration of Aboriginal students in a school, the lower their average scores.[5]

There is no information publicly available on the total amount of funding for schools in New South Wales distributed through each component.

Victoria, Australia

Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
Parental occupation and education, prior achievement	?	?	Yes (rate increases between 40% and 65%)	Higher in primary	Two levels

Victoria also uses the FOEI to calculate funding for socioeconomically disadvantaged students. There are two levels of disadvantage, with Level 1 students generating two times the funding of Level 2 students:

- Level 1: Students with parents who are unemployed with below diploma level education, or have lower skilled jobs with very low or low education.
- Level 2: Students with parents who have various combinations of medium and low skilled jobs and education levels, or are unemployed with a diploma level education.

[4] David Gonski et al., *Review of funding for schooling: Final report* (2011) pp.124-125.
[5] David Gonski et al., *Review of funding for schooling: Final report* (2011) pp.115-117,125-126, 167.

The per-student funding rate varies significantly depending on the concentration of disadvantage in the school. A minimum rate applies for schools with a concentration below 40%, with the rate increasing to a maximum that applies at concentrations of 65% and above. Note that in this case (and in New South Wales) concentration depends not only on the number of disadvantaged students in a school, but also the extent of their disadvantage.

Table 1: Victoria funding rates 2017 (AUD)[6]

	Standard per-student funding rate	Level 1 students		Level 2 students	
		Minimum funding rate	Maximum funding rate	Minimum funding rate	Maximum funding rate
Prep - Y1	7,139	582 (8%)	4,657 (65%)	291 (4%)	2,330 (33%)
Y2	6,630	582 (9%)	4,657 (70%)	291 (4%)	2,330 (35%)
Y3-6	6,076	582 (10%)	4,657 (77%)	291 (5%)	2,330 (38%)
Y7-12	8,070	518 (6%)	4,134 (51%)	260 (3%)	2,067 (26%)

As well as socioeconomic disadvantage, Victoria provides additional funding to schools with secondary school students who did not meet the national minimum standards in literacy and numeracy in Year 5. In 2017 the funding rate is $2,016 per student, although if the student is part of the Program for Students with Disabilities they receive a reduced Catch Up funding amount of $1,008 in recognition of the support they receive through this program.[7]

In 2017 $358 million will be allocated through these two funding streams, 5.8% of the total indicative funding amount for government schools.[8]

Belgium (Flemish Community)

Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
Mother's qualifications, financial capacity, language, place of residence	?	14% of cash funding (primary) 10% of cash funding (secondary)	Minimum 10% or 25% in secondary for additional teaching hours	Yes	Yes

The Flemish Community of Belgium provides additional resourcing for disadvantaged students in the form of both cash and teaching hours.

There is a fixed funding pool for additional cash funding for disadvantaged students, representing around 14% of the total operating grant in primary (planned to increase to 15.5% by 2021) and 10% in secondary (rising to 11% by 2020).[9] This funding is distributed among schools based on four indicators of disadvantage. In primary, 25% of the funding pool is dedicated to each indicator; in secondary, 30% of the funding pool is dedicated to the first three indicators and 10% to the last indicator. These

[6] Victoria Department of Education and Training, 'Equity (Social Disadvantage) (Reference 11)', accessed 9 November 2016 at http://www.education.vic.gov.au/school/principals/finance/Pages/srpref011.aspx
[7] Victoria Department of Education and Training, 'Equity (Catch Up) (Reference 12)', accessed 22 November 2016 at http://www.education.vic.gov.au/school/principals/finance/Pages/srpref012.aspx
[8] 'Targeting education funding to students most in need', 16 September 2016, accessed 21 November 2016 at http://www.premier.vic.gov.au/targeting-education-funding-to-students-most-in-need/
[9] Deborah Nusche, Gary Miron, Paulo Santiago and Richard Teese, *OECD Review of School Resources: Flemish Community of Belgium 2015* (2015) p.55.

funding amounts are divided by the number of eligible students to determine the per student funding rates.[10]

Table 2: Belgium (Flemish Community) funding rates 2013/14 (Euros)

Student characteristic	Indicator	Source of information	Primary funding rate	Secondary funding rate
Cultural background	Educational attainment of the mother	Provided by parents	122.75	125.54
Financial capacity	Entitlement for a study grant	Flemish study grant administration	120.83	114.67
Linguistic and cultural capital	Language spoken at home other than Dutch	Provided by parents	146.69	276.47
Social capital	Student's place of residence	Flemish household administration	99.78	40.79

In pre-primary and primary schooling, the first three factors also generate additional teaching hours. A weighting of 1.5 is also applied to teaching hours for students who do not live with their own families (e.g. those living in a Centre for Child and Family Support, children in foster homes, those judicially separated from their parents, children whose parents have no fixed residence, and homeless children).[11] There is no information available on the total number of teaching hours allocated based on these characteristics.

In secondary, supplementary teaching hours are provided where a minimum percentage of a school's students meet at least one of the following indicators (10% in the first stage and 25% in the second and third stages):

- the parent is an itinerant worker;
- the mother has not completed secondary school;
- the child does not live with their parents;
- the family lives on community support income; or
- the child speaks a language other than Dutch at home.[12]

Chile

Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
Low income	40%	16%	Yes (higher rate at 15%+)	?	No

Chile provides schools with a 'Preferential School Subsidy' for children from approximately the poorest 40% of the population, provided that the schools agrees to additional accountability arrangements. Children are eligible if their family:

- belongs to a government program targeting families in extreme poverty;
- belongs to the lowest 33% of the income distribution; or
- can demonstrate that they are poor, of very low income, or part of the lowest socioeconomic group in the public health system.[13]

[10] Ibid., p.56.
[11] Ibid., p.60.
[12] Ibid., pp.63-64.
[13] Christopher Neilson, *Targeted vouchers, competition among schools, and the academic achievement of poor students* (New Haven, CT: Yale University, 2013) p.9.

Schools can also receive a Concentration Subsidy if over 15% of their roll is eligible for the Preferential School Subsidy.[14]

In 2015, the disadvantage subsidies accounted for 16% of the total funding paid to schools.[15]

In order to receive these subsidies, schools are required to produce an Educational Improvement Plan detailing how they intend to use the funds to raise achievement for their disadvantaged students. Depending on the school's achievement levels, they may be obliged to accept external or Ministry support to draft this plan.[16]

Since the introduction of this policy, achievement among low income students in Chile has increased significantly and the achievement gap has reduced.[17]

England

Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
Eligibility for free school meals, state care	27.9%	6%	None	Higher in primary	Two levels

Students in publicly funded schools in England (both academies and local authority maintained schools) generate an additional funding amount ('pupil premium') if they were recorded as eligible for free school meals in the last 6 years. The additional funding amount is higher in the primary school years:

- £1,320 for Ever 6 FSM students in reception to year 6.
- £935 for Ever 6 FSM students in year 7 to year 11.

Eligibility for free school meals is based on whether the child or their parent is receiving government benefits due to unemployment or low income.[18] However, parents must pro-actively apply for free school meals in order for the school to be able to identify the child as eligible. In 2013 the Department for Education estimated that 11% of parents whose children were eligible for free school meals did not claim the entitlement.[19] In 2016/17 this measure captured 25.1% of primary school students and 29.2% of secondary school students (26.6% of students overall).[20]

Students also generate additional funding of £1,900 if they are currently, or have previously been, in the care of an English local authority. In 2016/17 this measure captured 1.3% of students.[21]

Pupil premium funding made up 6% of total Government spending on primary and secondary education in 2016/17.[22] Local authorities are also required to allocate

[14] OECD, *Public and private schools,* p.54.
[15] Ministry of Education, Education Quality Assurance Agency and Superintendence of Education, *OECD review of policies to improve the effectiveness of resource use in schools: Country background report for Chile* (2016) p.87.
[16] OECD, *Public and private schools,* pp.54-55.
[17] Neilson.
[18] For the full list of benefits, see https://www.gov.uk/apply-free-school-meals
[19] National Audit Office, *Funding for disadvantaged pupils* (2015) p.17.
[20] Department for Education, 'Pupil premium final allocations 2016 to 2017 by local authority area and region in England', accessed 25 October 2016 at https://www.gov.uk/government/publications/pupil-premium-conditions-of-grant-2016-to-2017
[21] Ibid.
[22] Ibid.

some funding to schools on the basis of deprivation, either using free school meals data or the Income Deprivation Affecting Children Index.[23] In 2014/15 this formula funding made up 5.8% of total Government funding distributed to schools.[24]

Pupil premium funding is not ring-fenced. There are three mechanisms for holding schools to account for their use of pupil premium funding:

- Schools are required to publish annual reports online detailing how much pupil premium funding they receive, how they used the funding in the previous school year, how they intend to use it in the current school year, and what effect it is having on disadvantaged pupils.
- Ofsted considers how schools are using the money as part of their inspections and factors this into their ratings. Where a school is found to be ineffective, Ofsted recommends that they commission an external review of their pupil premium spending. The Department for Education identifies school leaders with a recent track record of raising achievement of disadvantaged students to act as pupil premium reviewers.
- The Department for Education publishes data for each school on the attainment and progress of students who receive the pupil premium compared with their peers.[25]

The National Audit Office released an evaluation of the pupil premium in June 2015. This report found that the pupil premium had increased school leaders' focus on improving outcomes for disadvantaged students, although many schools were spending some of the funding on approaches that evidence suggests are not cost-effective. Since the premium was introduced, the attainment gap has started to close, but still remains wide.[26]

Early Years Pupil Premium

3 and 4 year olds in state-funded ECE are eligible for an Early Years Pupil Premium of 53p per hour (up to £302.10 annually for the full 570 hours of state-funded ECE available). The eligibility criteria are the same as for the pupil premium except that benefit receipt needs to be current, and is checked directly (as there is no free school meals equivalent).[27] 8% of 3 and 4 year olds benefitting from state-funded ECE were recorded as eligible for the Early Years Pupil Premium in 2016.[28]

The Department has also recently proposed a national funding formula for free childcare and early education of 3 and 4 year olds that would see 8% of formula funding for local authorities allocated based on socioeconomic disadvantage (using the eligibility of children in Key Stages 1 and 2 for free school meals as a proxy).[29]

[23] Department for Education, 'School revenue funding 2016 to 2017', December 2015, p.5, accessed 10 November 2016 at https://www.gov.uk/government/publications/schools-funding-arrangements-2016-to-2017
[24] National Audit Office, p.5.
[25] Department for Education, 'Pupil premium: funding and accountability for schools', accessed 11 November 2016 at https://www.gov.uk/guidance/pupil-premium-information-for-schools-and-alternative-provision-settings
[26] National Audit Office.
[27] Department for Education, 'Early years pupil premium: guide for local authorities', accessed 25 October 2016 at https://www.gov.uk/guidance/early-years-pupil-premium-guide-for-local-authorities
[28] Department for Education, Provision for children under 5 years of age', accessed 25 October 2016 at https://www.gov.uk/government/statistics/education-provision-children-under-5-years-of-age-january-2016
[29] Department of Education, 'An early years national funding formula: Government consultation', p.28, accessed 11 November 2016 at https://consult.education.gov.uk/early-years-

Netherlands

Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
Parental education (primary) Area-based income measure, prior achievement (secondary)	7% (secondary)	7% (primary) 0.6% (secondary)	None (primary) Minimum 30-65% to receive funding, depending on stream (secondary)	Higher in primary	Two levels (primary) None (secondary)

The Netherlands has different arrangements for funding disadvantage in primary and secondary education, as these sectors are administered separately.

In the primary sector, disadvantage is measured based on parental education. There are two funding levels:

- If at least one parent has only completed primary education, the student generates 2.2 times the standard funding amount.
- If both parents have only completed the lower streams of vocational tertiary education, or two years or less of tertiary education, the student generates 1.4 times the standard funding amount.[30]

This information is gathered directly from parents when a child first enrols at school.

Overall, around 7% of funding is delivered through these weightings. (This is lower than the 12% cited by the PPTA, based on a 2010 paper, as education levels have increased over time.)

In the secondary sector, students are streamed into a vocational, polytechnic, or university track depending on their test results and the judgment of their teacher at the end of primary school. The funding rate for students in vocational secondary education who are more than two years behind in terms of their achievement is almost double the amount for students in other tracks. Students from lower socioeconomic backgrounds and migrant students are overrepresented in the vocational track.[31]

Secondary schools also get 720 euros for each student who lives in a "poverty problem accumulation area" as defined by Stats NL based on income data, if they have a minimum concentration of these students. The minimum concentration differs depending on stream:

Stream	Minimum concentration threshold
Vocational secondary education	30%
Assisted vocational secondary education	30%
Polytechnic stream secondary education	50%
University stream secondary education	65%

funding/eynff/supporting_documents/Consultation%20Document%20%20Early%20Years%20National%20Funding%20Formula%2011%2008%2016.pdf

[30] OECD, *Public and private schools: How management and funding relate to their socio-economic profile* (2012) p.60.

[31] OECD, *Netherlands 2016: Foundation for the future* (2016) pp.25-26.

Mixed school incl. vocational	30%
Mixed school incl. polytechnic and university streams	50%

Around 7% of secondary students generate this additional funding.

This funding amount is 10% of the university/polytechnic funding rate and 5.6% of the vocational with high support funding rate. Overall, this funding makes up only 0.6% of the total spend on secondary schooling.

A note on the relationship between disadvantage and educational achievement in the Netherlands

The PPTA cites analysis of PISA 2012 data that finds that, in the Netherlands, being in the lowest SES quartile made no statistical difference to students' likelihood to be in the low performing group in mathematics. It should be noted that this was after controlling for a number of other demographic and educational characteristics, including enrolment in a vocational track. Without controlling for these other characteristics, there is a statistically significant relationship between SES and achievement, although it is still among the lowest in the OECD and much lower than in New Zealand.[32]

Northern Ireland

Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
Eligibility for free school meals, state care, Travellers, prior achievement	est. 30-35%	6.9%	Yes (three bands)	Higher in primary	Two levels

In Northern Ireland, there are four funding streams that target disadvantage: social deprivation funding, educational attainment funding, support for children of the Traveller Community (including Roma) and support for Looked After Children.

Social deprivation funding is allocated based on the number of children who are eligible for free school meals. In pre-primary, students also generate this funding if they are recorded as having a parent in receipt of the income-based Job Seekers Allowance or Income Support.

There are three concentration bands that determine the per student funding rate for social disadvantage funding, set each year according to the average concentration percentage value and the middle point of schools with above average percentages (the 'mid-percentage value'). The table below shows the 2016/17 percentage values for each sector.

Table 3: Northern Ireland concentration percentage values 2016/17

	Pre-primary	Primary	Secondary
Average concentration value	37.98%	32%	28.24%
Mid-percentage value	54.1%	43.75%	40.85%

[32] OECD, *Low-performing students: Why they fall behind and how to help them succeed* (2016) pp.64-66.

The table below sets out the 2016/17 funding rates for socially disadvantaged students in each concentration band. Students in the second band generate 1.25 times the funding of students in the first band, while students in the third band generate two times the funding. Traveller children and Looked After Children generate additional funding at a rate 50% of the Age Weighted Pupil Unit value.

Table 4: Northern Ireland funding rates 2016/17 (GBP)

	Pre-primary	Primary	Secondary
At or below average concentration value	672.54	613.60	379.18
Above average concentration value, up to mid-percentage value	840.67	767.00	473.97
Above mid-percentage value	1,345.08	1,227.20	758.36
Looked After Children and Travellers	1,022.19	1,022.19	1,026.22
Educational attainment (per Key Stage Funding Unit)			1,037.99

Educational attainment funding is allocated based on Key Stage 2 assessment results in English and Maths (or Key Stage 3 for senior high schools). At the end of Key Stage 2 students are expected to be performing at Level 4 of the curriculum. Students performing below this get a weighted score – 6 for students at or below level 1, 3 for students at level 2, and 2 for students at level 3. A percentage score is then calculated for each school as the total score for all their Year 8 students over the maximum total score if they were all performing at or below level 1. A school's funding allocation is calculated by multiplying the average of this percentage score over the last three years by the school's roll and the educational attainment funding rate.

Overall, social deprivation funding makes up 8.4% of total formula funding for nursery and primary schools. Funding for Looked After Children and Traveller children makes up an additional 0.3%. In secondary schools, social deprivation funding is 3.5% of total funding, educational attainment funding is 1.6%, and funding for Looked After Children and Traveller children is 0.2%. Across both sectors, these funding streams comprise 6.9% of total funding.[33]

Schools are required to account for how they spend social deprivation and educational attainment funding as part of their planning and reporting.

California, USA

Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
Eligibility for free or reduced-price lunch, ESL, state care	63%	16%	Yes (higher rate at 55%+)	U-curve	No

California introduced a new funding formula in 2013 that allocates districts additional funding of 20% of the per-student base grant for:

- English language learners;
- students who meet income requirements to receive free or reduced-price meals; and

[33] Northern Ireland Department of Education, 'Common funding scheme 2016-2017', accessed 9 November 2016 at https://www.education-ni.gov.uk/articles/common-funding

- students who are in foster care.[34]

Around 63% of Californian students met one or more of these criteria in 2015/16.[35] Students who meet more than one of the criteria are only counted once for funding purposes.

Districts with over 55% of their students meeting these criteria also receive concentration funding, set at 50% of the base per student funding amount, for each disadvantaged student above this threshold.[36]

Table 4: California funding rates 2015/16 (USD)

Grade level	Base grant	Supplemental grant	Concentration grant
K-3	7,820	1,564	3,910
4-6	7,189	1,438	3,595
7-8	7,403	1,481	3,702
9-12	8,801	1,760	4,401

In 2015/16, supplemental and concentration grant funding made up around 16% of the total Local Control Funding Formula target entitlement.

Massachusetts, USA

Risk factors	Proportion of students	Proportion of funding	Concentration factor	Year-level variance	Individual risk-level variance
Parental benefit receipt, state care	33%	12.8%	Decile-based	None	None

School districts receive additional funding for each student who is in foster care or whose family receives government assistance through the Supplemental Nutrition Assistance Program, Transitional Assistance for Families with Dependent Children, or Medicaid (eligibility for these programs is dependent on income). This information is obtained through a data match between the Department of Elementary and Secondary Education and the Executive Office of Health and Human Services. This match is run three times a year.[37] Approximately 33% of students were defined as economically disadvantaged under this measure in 2016/17.[38]

The amount of additional funding generated by each disadvantaged child depends on the concentration of disadvantage in the district. The 10% of districts with the lowest concentration of disadvantaged students (decile 1) receive additional funding of $3,775 per disadvantaged student (44-54% of the standard per student funding rates), while the 10% of districts with the highest concentration (decile 10) receive $4 135 per disadvantaged student (48-60% of the standard per student funding rates).[39]

[34] California Department of Education, 'Local control funding formula overview', accessed 8 November 2016 at http://www.cde.ca.gov/fg/aa/lc/lcffoverview.asp
[35] California Department of Education, '2015-16 LCFF funding snapshot data', 21 June 2016, accessed 8 November 2016 at http://ias.cde.ca.gov/lcffsnapshot/lcff.aspx
[36] California Department of Education, 'Local control funding formula overview', accessed 8 November 2016 at http://www.cde.ca.gov/fg/aa/lc/lcffoverview.asp
[37] Massachusetts Department of Education, 'The Massachusetts Foundation Budget', accessed 27 October 2016 at http://www.doe.mass.edu/finance/chapter70/chapter-cal.pdf
[38] Massachusetts Department of Education, 'Complete formula spreadsheet', July 2017, accessed 9 November 2016 at http://www.doe.mass.edu/finance/chapter70/chapter-17.html
[39] Massachusetts Department of Education, 'The Massachusetts Foundation Budget'

Table 5: Massachusetts funding rates 2016/17 (USD)

Elementary		7,306.58
Junior/Middle		6,927.11
High School		8,637.59
Economically Disadvantaged	Decile 1	3,775.00
	Decile 2	3,815.00
	Decile 3	3,855.00
	Decile 4	3,895.00
	Decile 5	3,935.00
	Decile 6	3,975.00
	Decile 7	4,015.00
	Decile 8	4,055.00
	Decile 9	4,095.00
	Decile 10	4,135.00

This component makes up 12.8% of the total foundation budget amount for all districts in 2016/17.[40]

Summary points

- Common indicators of disadvantage used to allocate additional funding include household income, benefit receipt, parental education and occupation, and foster care status. The main considerations in selecting these indicators appear to be availability of information and association with underachievement. Some jurisdictions also use prior achievement information to direct additional funding at the secondary level.
- There is substantial variation in the proportion of the student population targeted through funding for disadvantage. New South Wales is the only one of the jurisdictions surveyed that targets funding to a set proportion of the population, rather than allowing changes in the characteristics of the population to affect the proportion that generates this funding.
- Funding for disadvantage typically makes up 5-15% of the total amount of funding distributed to schools. Jurisdictions tend to allocate a higher proportion of funding to disadvantage at the primary level.
- It is common for jurisdictions to provide a higher per student funding amount for schools with a higher concentration of disadvantaged students. There is variation in the approaches used, and the point at which concentration is factored in.

[40] Massachusetts Department of Education, 'FY17 Chapter 70 aid and net school spending requirements', July 2016, accessed 9 November 2016 at http://www.doe.mass.edu/finance/chapter70/chapter-17.html