

October 8, 2018

Dr. William E. Kirwan, Chairman
Maryland Commission on Innovation and Excellence in Education
Sent by electronic mail
PreK-12InnovationandExcellenceCommission@mlis.state.md.us

Re: Proxy for Poverty in the education formula

Dear Dr. Kirwan and members of the Commission:

As groups who have worked on poverty, education, and hunger-related issues for years, we write to make a recommendation to the commission on the proxy the commission will use to measure poverty for purposes of distributing state Compensatory Education aid. We appreciate the myriad of intersecting issues the commission, commission staff, and consultants have had to consider. Each of us has followed these issues closely, including the proxy for poverty options; some of us weighed in as members of the MSDE Stakeholder's Advisory Group to the APA study in 2015.

The groups represented on this letter strongly urge the commission to establish Direct Certification of family income with a 1.8 multiplier as the most accurate proxy for poverty and one that will most closely simulate the current proxy, family income as measured by eligibility for Free and Reduced Meals (FARMs). As you know, school systems participating in the federal Community Eligibility Provision (CEP) are prohibited from collecting FARMs forms, necessitating the search for another poverty proxy.

Direct Certification with a 1.8 multiplier is the best choice as a Proxy for Poverty.

- Directly certifying family income by matching school enrollment to preexisting data from certain state and local agencies that use the equivalent of Free Meals eligibility (130% of the federal poverty level) is more accurate than even the current system because families because household income is validated when families apply for these programs.
- Direct certification can be used for both CEP and non-CEP districts. Different proxy for poverty measures for different school systems could result in serious inequity across counties.
- The earlier Proxy for Poverty study by the consultants (which argued for use of alternative forms) assumed that Direct Certification matches would be unevenly accomplished by individual school districts. Now that the Maryland State Department of Education will be running the direct certification process centrally, that argument has been removed. When MSDE implements statewide direct certification, the variability among school system capture rates should become uniform.

The use of a 1.8 multiplier will result in the closest match to the current FARMs eligibility rate and help account for undercounted children.

- Using Direct Certification alone would count only children whose family income makes them eligible for Free Meals and exclude children from the Reduced-Meals income level (185% poverty), depriving them of Compensatory Education funding and services.

- Maryland's statewide average multiplier of 1.8 in CEP schools will ensure consistency across systems.
- A 1.8 multiplier will at least partially account for the students from low-income families who are not eligible for the programs that Direct Certification captures. It is essential that these children from families living in poverty receive the staffing and services needed, even if they do not meet the non-income based criteria attached to these programs. Experience has shown that families with undocumented family members are hesitant to apply for programs even if there are eligible children in the households.

Other policy options have major problems.

The APA consultants suggested that alternate forms (than the FARMs form) be collected. We strongly oppose a requirement that schools and districts that use the Community Eligibility Provision (CEP) collect alternate forms.

- Because the alternate form is not tied to the provision of meals, it would be much more difficult to get families to submit them. Producing, distributing, collecting and calculating the forms would also be an additional expense for school systems, as they are no longer subsidized by the food and nutrition service. The poverty count for Compensatory Education aid would then be lower and inaccurate, depriving districts of critically needed funding and showing less poverty than actually exists. Without that incentive, at least in large districts handling tens of thousands of forms, there will be drop-off and an undercount of poverty status.¹
- It is inherently unfair for Maryland to set up a two-tier system affecting school systems differently- one with incentives for turning in forms (free/reduced price meals), one without. By definition, the highest poverty (CEP) districts will be disadvantaged and deprived of funds intended to support those children.
- If school systems lose state aid, that could discourage them from maintaining their CEP status or expanding the number of schools taking advantage of CEP. This could affect the provision of free meals to thousands of children now greatly benefitting from the program.
- The collection of alternate forms is largely untested and eliminates much of the benefit of community eligibility, which prioritizes use of pre-existing data records and eliminates stigma attached to students from low-income families. It is unlikely that forms will help address the challenge in accounting for low-income undocumented families. There are inherent risks that would have to be managed and communicated to help families feel comfortable providing income information.

We advocate that your recommendations and subsequent legislation provide options for revisiting and updating the poverty proxy. MSDE has not yet centralized the data collection for all districts so in the process of implementation, if there are questions about the direct certification count, an appeal process for districts may need to be built in. Similarly, the changes to the public charge rule will likely impact the services immigrants apply for and impact the count.

¹ When Washington county used alternate forms in SY13-14, they found drop-offs of up to 6%. In larger school districts, that could mean millions of dollars.

For these reasons, we strongly advocate the use of direct certification with a 1.8 multiplier as the proxy for poverty to distribute education aid to all school systems. We would be glad to meet with staff, consultants, or commission members to discuss the intricacies of this part of the formula and to aid the commission in any way to ensure the poverty count is as accurate and fair as possible.

Sincerely,

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cc: Rachel Hise