

INTEROFFICE CORRESPONDENCE

Los Angeles Unified School District
Independent Analysis Unit

INFORMATIVE

TO: Members, Board of Education
Alberto Carvalho, Superintendent

DATE: March 15, 2022

FROM: Glenn Daley, Director, **Independent Analysis Unit**
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SUBJECT: A Review of the American Institute of Research (AIR) Evaluation of L.A. Unified's Student Equity Needs Index final report

Delivered in November of last year (2021), the final evaluation report from the American Institutes for Research (AIR) contains a wealth of information about the District's implementation of the Student Equity Needs Index (SENI).¹ This memo is a synopsis of the full report for easy reference.² The IAU found the report to be comprehensive and of high quality, though with important limitations. We provide comments at the end of this memo.

The AIR study conducted multiple analyses that sought to answer the following questions:

1. Does SENI work on a basic level? Did more resources go to schools with higher needs?
2. How did schools spend their SENI funds?
3. Is there evidence that SENI has affected student outcomes?
4. Is there evidence that more money overall (TSP & SENI) allocated on the basis of students' needs has affected test scores?
5. What are schools' concerns and needs regarding SENI?

DOES SENI WORK ON A BASIC LEVEL? DID MORE RESOURCES GO TO SCHOOLS WITH HIGHER NEEDS?

Stakeholders and policy makers are interested in how to ensure that needier schools receive resources commensurate with their needs. At the state level, the Local Control Funding Formula (LCFF) tried to achieve this goal by distributing funds to California's local education agencies (LEAs) according to their numbers of high-needs students. Analysis by The Public Policy Institute

¹ Levin, J., Brodziak de los Reyes, I., Atchison, D., Kearns, C., Martin, A., & González, R. (2021). Evaluation of Los Angeles Unified School District' Student Equity Needs Index Final Report (16580_11/21). American Institutes for Research.

² This memo presents the AIR findings in a reorganized form for succinctness. Page numbers in the text refer to pages in the AIR final report. Throughout the AIR report, comparisons are made between the Targeted Student Population (TSP) program and supplemental funding based on the SENI formula. However, this memo focuses on SENI.

of California found the LCFF succeeded at the district level.³ However, across the state, needier schools within districts may not have seen proportional increases in their funding compared to less-needy schools in these districts.

The AIR report provided insight that helps explain how schools in L.A. Unified receive funds, but the findings are nuanced. In what they termed the “equity analysis” (pages 42-46), AIR researchers found that **overall, school-level distribution of resources within the district has been positively associated with needs—needier schools get more funding than less-needy schools, and they did even before LCFF was implemented.**⁴ However, since LCFF, somewhat counter-intuitively, **this equity has been on a downward curve**, driven by a less equitable distribution of funds at the middle and high-school levels.

Since SENI 2.0 was implemented, equity may be improving, but the evidence is slim. The AIR report presents some data point estimates that offer hope, but with margins of error that leave the question unresolved: the data could still mean equity is trending down. In short, **it is too early to tell whether SENI is re-distributing resources from less to more needy schools in L.A. Unified and, even if equity has improved somewhat, any change so far is unlikely to be associated with performance gains** (p. 46).

HOW DID SCHOOLS SPEND THEIR SENI FUNDS?

A considerable portion of the final report provided information on how schools spent their SENI funds (“Resource Allocation Analysis,” pages 24-41). Using budget reports, AIR researchers could examine the general purpose of expenditures and the staff positions that were funded. The major positions filled were:

- Assistant Principals
- Community Representatives
- Counselors
- Instructional/Teacher aides
- Office Technicians
- Program Coordinators
- School Supervision Aides
- Teachers

The report also included a sizable category of “other” positions. **Most of the positions filled were administrative and support staff, with teachers comprising only 12% of FTEs funded by SENI**

³ LaFortune, Julien, & Mehlotra, R. (2021). Targeted K–12 Funding and Student Outcomes: Evaluating the Local Control Funding Formula. Public Policy Institute of California. www.ppic.org/publication/targeted-k-12-funding-and-student-outcomes/

⁴ “We did not observe an increase in equity following the introduction of LCFF, indicating that needs-based funding introduced through LCFF largely replaced other funding sources that also were distributed according to student needs. Small increases in equity were observed after the introduction of SENI 2.0 in 2018–19. However, the small boost in funding based on need (a 2.5% increase in per-pupil spending for a 10-point increase in the reconstructed SENI) seems unlikely to generate sizable changes in student outcomes (p. Page 46 of the AIR Final Report).”

overall. The staff positions most purchased in total across the District were assistant principals, instructional/teacher aides, and program coordinators (p. 36).

AIR researchers were interested in how different kinds of schools spent their SENI funds. To find differences among schools, AIR researchers categorized schools by **level**—elementary, middle, and high, by **need** (in several ways), and by “**efficiency**,” which rated schools according to how much their assessment results exceeded the results that would have expected based on their need (i.e., more *efficient* schools were needy schools that achieved higher-than-expected results).

The study found some variations in how schools at different levels spent their SENI funds.

Elementary schools funded instructional and teacher aides, school supervision aides, program coordinators, assistant principals, community representatives, and a few teachers, in that order. Secondary schools funded assistant principals, teachers, instructional and teacher aides, program coordinators, office technicians, counselors, and school supervision aids, in that order (p. 37).

Differences in how elementary and secondary schools staff their schools plus the amount of money they received based on their enrollment **explains the variability in how schools at different levels spent their SENI funds.** Schools at each level spent SENI funds on the positions that were appropriate for their school level (e.g., for example, middle and high schools spent a larger share of SENI funding than elementary schools on Guidance and Counseling.) Larger schools with more money could buy more expensive positions such as assistant principals.

The AIR report found some differences in how higher and lower need schools spent their funds.

Using the unduplicated percentage of pupils (UPP) at each school as their measure of need, the researchers found that elementary schools with higher needs spent more on assistant principals and program coordinators and less on instructional/teacher aides compared to elementary schools with lower needs (p. 38). Having more money to spend on more expensive positions is enough to explain this variability. Higher need high schools spent more on office technicians, “other,” school supervision aides, instructional teacher aids, and program coordinators compared to lower-poverty high schools (p. 40). **This variability between higher and lower need high schools is unexplained and warrants more investigation.**

AIR researchers found no relationship between school efficiency and different uses of SENI funds (p. 40-41). Presumably, schools with higher-than-expected outcomes engage in different practices than schools with lower-than-expected outcomes and these practices would be of interest for school improvement efforts. However, the analytical tools available reveal only staffing positions and the general purposes of these positions (program coordinators, for example, hired for instructional supervision and administration, both broad distinctions). **For efficient schools, success likely lies in the programs they have chosen and how well they implement them, which is information that this type of analysis cannot reveal.** What we need are measures of programmatic quality: what do the staff do and how well do they do it? These are hard measures to come by, but we will not understand relative better performance until we acquire them.

IS THERE EVIDENCE THAT SENI AFFECTS STUDENT OUTCOMES?

The goal of equitable funding is to improve outcomes for those students who have experienced the lowest academic achievement historically. It is well known that schools with the highest needs most often have the lowest test scores. Predictably the AIR analysis found that, **in L.A. Unified, typically as school needs (measured two ways) increase, math scores decrease, and this has been true since 2010** (pre-LCFF, though LCFF and then one year of SENI 2.0) and is similar at all school levels (p. 49).

Still, the relationship between needs and outcomes could change by becoming less negative as schools receive the money they need to focus on specific student needs. To see if this improvement occurred, AIR researchers looked at how trends changed after needs-based funding mechanisms (LCFF and SENI 2.0) were implemented.

They found that, after the shift to LCFF, **the relationship between average ELA test scores and school need was significantly less negative than it had been prior to LCFF** (ELA scores at high needs schools were still worse than at less needy schools, but comparatively *less worse*, than they had been before LCFF). Though it is good news, **this finding does not mean that more equitable funding occurred or made a difference. The positive test results also coincided with introduction of Common Core State Standards and a new test (SBAC) to measure them** (p. 50).

No other evidence emerged that SENI 2.0 has so far made a difference in achievement. **A close examination of the SENI 2.0 period (1 year of final SBAC test scores in 2018-19 and interim assessments from 2019-20) produced no evidence that the relationship between needs and test scores has changed yet with the implementation of new funding.** Since 2015, ELA and math scores have been trending up in elementary and middle schools (and down in high schools) and this pattern has continued since SENI 2.0 (p. 52).

Additionally, AIR researchers found no evidence that schools were better at meeting the needs of students with specific needs since the advent of SENI 2.0. Students who were economically disadvantaged, ELs, and students with disabilities all had test scores that remained on-trend from the pre-SENI to the post-SENI periods (p. 53).

In terms of non-assessment outcomes, AIR researchers found no evidence of SENI-related improvement in attendance, chronic absenteeism, or suspension, reclassification, and graduation rates (pg. 54-58).

IS THERE EVIDENCE THAT MORE MONEY OVERALL (TSP & SENI) ALLOCATED ON THE BASIS OF STUDENTS' NEEDS HAS AFFECTED TEST SCORES?

The AIR study found that SENI 2.0 had little to no effect in equity and therefore it should not be surprising that no evidence emerged of a positive effect of SENI dollars on student outcomes.

However, the amount of funding available to schools through the SENI 2.0 mechanism is still small as a proportion of total funding. To test whether more money overall can make a difference, AIR researchers examined the combined effects of Targeted Student Population (TSP) funding and SENI 2.0 funding, which together comprise a bigger pool that, over time since LCFF was implemented, increased some schools' budgets by 50% or more.

What they found was that more money—if it was enough—was associated with better outcomes for specific groups of students with multiple needs such as economically disadvantaged students who were also designated as English learners. Findings were:

- Increasing spending by 50% was associated with an increase in **ELA scores for economically disadvantaged English learners** and an increase in **math scores for economically disadvantaged English learners with disabilities** (p. 60)
- Increasing spending by 50% was associated with an **increase in attendance for English Learners with disabilities**, but significant **decreases in attendance for three other groups** economically disadvantaged English learners, economically disadvantaged students with disabilities, and economically disadvantaged English learners with disabilities (p. 61)
- Increasing spending by 50% was associated with a **decrease in suspensions for economically disadvantaged students with disabilities**, but an **increase for English learners** (p. 62)

Because of generally weak—and sometimes conflicting—evidence, the conclusion is that, so far, “student outcomes in high need schools have changed little relative to student outcomes in lower need schools (p. 62).” It remains to be seen whether the larger infusion of funds distributed through SENI in the current budget year will cause desired improvement in student outcomes.

WHAT ARE SCHOOLS' CONCERNS AND NEEDS REGARDING SENI?

The AIR study also included an extensive qualitative component that entailed interviews with central and local district staff and principals at 24 “focal” schools and well as additional interviews with teachers and other stakeholders (pages 63-75). The highlights of this component of the analysis include:

- The District is making efforts to provide guidance for how to spend SENI dollars; principals appreciate the availability of fiscal support, training sessions and meetings
- The District emphasizes stakeholder engagement in fiscal decision making at the school community level and principals take this seriously, though they find widespread engagement difficult to achieve
- Principals use SENI dollars to provide more people who can personalize learning for and create connections with students
- Limited dollars and District rules mean, in practice, SENI dollars are less flexible than envisioned
- Uncertainty of SENI funds is an issue for principals and many would like more money

AIR RECOMMENDATIONS

The report concluded with several recommendations:

- Continue improving guidance by personalizing and differentiating training, providing information about how best to use SENI funds to support students with specific needs, how to use carryover funds, and how to engage families (p. 79-80)
- Survey a random sample of principals to find out more about how principals spend money and how higher needs schools differ from lower needs schools and how more and less efficient schools differ in terms of how they budget SENI dollars
- Repeat impact analysis for at least several more years to follow trend
- Consider simplifying the SENI formula—AIR researchers point out that using the current SENI formula to distribute funds to schools creates an incentive for principals to reduce suspensions (p. 80). They provide two alternatives that would increase simplicity and make the formulas easier to explain to stakeholders

IAU COMMENTS

- The IAU found the study to be of high quality and thorough
- The study provides reasonable support for increasing differentiated resources for high needs schools, but re-examining results after the latest influx of funds will provide more evidence that can inform further allocations and policy changes. It is important to conduct an outcome study each year for at least the next three years
- A better understanding of spending effectiveness will come if we can track not just filled positions, but also the practices and programs these staff members use to promote student success
- Because of the disruptions it could cause, the IAU does not recommend revisiting the SENI formula at present. Nevertheless, District leaders should know that a much simpler formula would likely capture 90% or more of the variability in school need, be much easier to understand and produce nearly identical allocations and subsequent outcomes.
- The IAU recommends a survey of a random stratified sample of principals to produce a better measure of principals' use of SENI funds and the concerns and needs they have related to its implementation.