

State School Fund: Poverty Weight

State School Fund Formula and the Poverty Weight

The State School Fund uses Resident Average Daily Membership (ADMr) and multiple statutorily defined weights in the formula for distribution of the State School Fund. The poverty weight is one component of this formula. Statute directs ODE to use data from the U.S. Census Bureau's Small Area Income Poverty Estimate (SAIPE) report to determine the poverty weight.

The SAIPE data is a statistical model that estimates poverty by region. The dataset includes an estimate of the overall population for the region, the estimated population of children age 5-17, and the estimated number of children in families experiencing poverty. SAIPE defines poverty as 100% of the federal poverty threshold (for context, some measures define poverty above the federal poverty threshold, such as 130% to qualify for free lunch and 130-185% to qualify for reduce priced lunch).

Poverty Weight Calculation

ODE uses SAIPE data to calculate poverty in the SSF as follows:

- Determine the percentage of children in the region who attend public schools by comparing the district's ADMr and SAIPE's estimate of the number of children age 5-17.
- This percentage (up to 100%) is used to determine the percentage of children in families experiencing poverty that should be counted for the poverty weight.
- Use this count of children experiencing poverty who attend public schools and multiply it by the SSF poverty weight of 0.25.

The school districts' poverty weight for each school year is calculated twice:

- Prior to the start of the school year using forecasted ADM data from the Estimate of Membership and Revenues data collection,
- During the concurrent school year using ADM data from the 2nd Period ADM data collection.

Data Use Timing

Unlike some of the other weights in the SSF, the poverty weight is final when it is updated mid-year during the concurrent year. The poverty weight is based on data from the U.S. Census Bureau, whereas most of the other weights are based on data provided by the school district, or the final data point is updated during the concurrent school year. If the poverty weight data were updated again, it would be after the end of the school year and prior to reconciliation. At that point, school districts have already completed their spending for the year and would be unable to react to significant changes in the data. By updating the data only twice, with the second update being mid-school year, school districts have stability in their funding and are able to react accordingly when there are significant changes to the level of poverty in their communities.

Example schedule of updates to the poverty weight data:

School Year	First Calculation Data & Timeframe	SAIPE Data	Second Calculation Data & Timeframe	SAIPE Data
2022-23	Calculated February 2022 using ADM from Estimate of Membership and Revenues	December 2021 release (using 2020 data)	Calculated February 2023 using ADM from 2 nd Period ADM	December 2022 release (using 2021 data)
2023-24	Calculated February 2023 using ADM from Estimate of Membership and Revenues	December 2022 release (using 2021 data)	Calculated February 2024 using ADM from 2 nd Period ADM	December 2023 release (using 2022 data)
2024-25	Calculated February 2024 using ADM from Estimate of Membership and Revenues	December 2023 release (using 2022 data)	Calculated February 2025 using ADM from 2 nd Period ADM	December 2024 release (using 2023 data)

SAIPE Data

SAIPE data is not a direct count of poverty. Instead, it is a complex statistical model that estimates poverty for a given area. The areas that are reported by the U.S. Census Bureau include all school districts in Oregon. Each school district has an estimate of the number of children 5 to 17 living in families in poverty. The SAIPE data is used by several federal programs for distribution of federal benefits. Title I, for example, uses SAIPE data to determine the distribution of federal dollars for its programs.

The SAIPE model was built through the cooperation of several federal agencies:

- Department of Agriculture,
- Department of Education,
- Department of Health and Human Services,
- Department of Housing and Urban Development, and
- Department of Labor.

These agencies worked together to create better estimates of poverty given that the previously used decennial census had ten year gaps in its information.

The SAIPE model uses several data sets to inform the final calculations. These data sets include:

- The American Community Survey (the equivalent of the long form of the decennial census that is given out enough times such that over a five year period it reaches the same number of people as the previous long form of the decennial census does)
- The Annual Social and Economic Supplement of the Current Population Survey

- Decennial Census
- Federal Income Tax Returns (anonymous data only)
- SNAP Benefits Recipients (Supplemental Nutrition Assistance Program)
- Bureau of Economic Analysis aggregate personal income estimates
- Social Security Income benefit recipients
- Population Estimates
- Other sources of data

The data used includes both direct survey data as well as administrative data for both voluntary programs (SNAP recipients) and required programs (tax returns). All of this data is then used to model poverty for very small areas. This allows the dataset to provide data for every school district in the state.

Statute and Rule

Oregon Revised Statute (ORS) 327.013(1)(c)(A)(v)(I):

The number of students who are in average daily membership and who are also in poverty families, as determined by the Department of Education based on rules adopted by the State Board of Education that incorporate poverty data published by the United States Census Bureau, student data provided by school districts and other data identified by the board;

Oregon Administrative Rule (OAR) 581-023-0102:

Poverty Eligibility Determination for Purposes of State School Fund Distribution

(1) The following definitions and abbreviations apply to this rule:

(a) “ADM” means Average Daily Membership as defined under ORS 327.006 and OAR 581-023-0006.

(b) “Census Bureau” means the United State Census Bureau.

(c) “SAIPE” means the Small Area Income Poverty Estimate published by the Census Bureau every year and available to the public on the Census Bureau’s website at:
<http://www.census.gov/did/www/saipe/>.

(2) Pursuant to ORS 327.013(1)(c)(A)(v)(i) the Department of Education will determine poverty using Census Bureau data and ADM data from the school districts.

(3) The Department will obtain SAIPE data published on the Census Bureau website for all Oregon school districts annually as it is released.

(4)(a) The Department will divide the concurrent year’s ADM data by the total children ages 5 to 17 as reported in the SAIPE data.

(b) For those districts where the ratio of the ADM divided by total children ages 5 to 17 as reported in SAIPE data is greater than 100%, the Department will reduce the ratio to 100%.

(5) The Department will multiply the population ages 5 to 17 in families in poverty as reported by the SAIPE by the percentage calculated above.

(6) The Department will round the resulting product to two decimal places.

(7) The Department will use the previous year's SAIPE data to calculate the final poverty weights for the current year pursuant to ORS 327.013(1)(c)(A)(v).