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The Weighted Student Funding Formula and English Learner Students

LEGISLATIVE ANALYST'S OFFICE

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Senate Select Committee on English Learners
Hon. Alex Padilla, Chair





Overview of Current Funding System and English Learner (EL) Students

- Economic Impact Aid (EIA) Currently the Only State Program Explicitly Targeted for EL Students.*** The 2011-12 budget provides about \$1 billion to serve EL or economically disadvantaged (ED) students (statewide average of about \$330 per EL or ED student). Districts choose how to allocate EIA funds to serve the two target populations.
- California Currently Provides Roughly 8 Percent More Funding for EL Students Than Other Students.*** This analysis compares average EIA funds used for EL services to average per-pupil general purpose funds.
- Currently No Explicit State Funding Weight for EL Students.*** Funding levels for EL students are not based on overall cost determinations. Per-pupil EIA funding rates also vary notably across districts.
- State Also Funds Programs Targeted for Disadvantaged Students.*** Some EL students also benefit from programs serving low-performing or ED students, such as After School Education and Safety, the Quality Education Investment Act, and child nutrition. Each of these programs has a somewhat different target population.
- Requirements Currently Suspended for Some Additional Targeted Categorical Programs.*** Districts currently receive funding for about 40 state categorical programs without having to follow their original programmatic requirements. Some of the "flexed" programs originally designed to support disadvantaged students (including many ELs) include: the Targeted Instructional Improvement Grant, Community Based English Tutoring, the Pupil Retention Block Grant, and the EL component of the Math and Reading Professional Development grant.



Overview of Governor's Proposal

- Expands Current Flexibility by Eliminating Seven Remaining Categorical Programs (\$2.8 Billion).***
- Replaces Existing System With Weighted Student Formula.***
 Would combine current revenue limit and categorical funds and distribute via new formula. New formula also would apply to charter schools but not to county offices of education.

 - Equal base grant for every student (\$4,920 in 2012-13).
 - Additional “weight” of 37 percent (\$1,820 in 2012-13) for every EL and ED student, as measured by participation in Free and Reduced Price Meals (FRPM) program.
 - Additional “concentration” funding for districts with large proportions of EL and FRPM students.
- Phases in Formula Over Six Years.***

 - ***2012-13:*** Districts would receive 95 percent of funding based on what they got in 2011-12 and 5 percent based on the new formula. If this results in a drop in per-pupil funding for a district, the district would receive additional funding to maintain its current-year per-pupil rate.
 - ***2013-14:*** 15 percent of funding distributed based on the new formula, and no hold harmless provision.
 - ***2014-15 Through 2017-18:*** 40 percent via new formula in 2014-15, then an additional 20 percent each year until full implementation in 2017-18.
- Implements New Accountability Measures Beginning in 2013-14.*** Would provide fiscal bonuses to districts that meet new accountability metrics being developed by the State Board of Education.



New Formula Would Replace Many Existing Categorical Formulas

How Existing Categorical Programs Are Treated Under Governor's Proposal	
Programs That Would Merge Into Weighted Student Formula	
Currently Flexible (\$4.7 Billion)	
Adult education	Oral health assessments
Advanced placement grant programs	Peer Assistance and Review
Alternative credentialing/internship program	Physical Education Block Grant
Arts and Music Block Grant	Principal training
Bilingual teacher training assistance program	Professional Development Block Grant
California High School Exit Exam supplemental instruction	Professional development for math and English
California School Age Families	Pupil Retention Block Grant
California Technology Assistance Projects	Reader services for blind teachers
Certificated Staff Mentoring	Regional Occupational Centers and Programs
Charter Schools Categorical Block Grant	School and Library Improvement Block Grant
Civic Education	School Safety Block Grant
Community Based English Tutoring	School Safety Competitive Grant
Community Day School (extra hours)	Specialized secondary program grants
Deferred maintenance	Student leadership
Gifted and Talented Education	Summer school programs
Grade 7-12 counseling	Targeted Instructional Improvement Block Grant
Instructional Materials Block Grant	Teacher Credentialing Block Grant
National Board certification incentive grants	Teacher dismissal apportionment
Ninth-Grade Class Size Reduction	
Newly Flexible as of 2012-13 (\$2.8 Billion)	
Adults in correctional facilities	Home-to-School Transportation (only funded in 2012-13)
Agricultural vocational education	K-3 Class Size Reduction
Apprentice programs	Partnership Academies
Economic Impact Aid	
Programs That Would Remain Restricted	
After School Education and Safety Program	County Office fiscal oversight
American Indian Early Education Programs ^a	County Office oversight (<i>Williams</i> lawsuit) ^a
American Indian Education Centers ^a	Foster youth programs (county-run)
Assessments	K-12 Internet Access
Charter school facility grants	Special education
Child nutrition	State Preschool
Community Day School	Quality Education Investment Act
^a These programs currently are subject to limited-term flexibility, but the Governor's proposal would reinstate categorical restrictions.	



LAO Assessment of Governor's Proposal



Governor's Restructuring Proposal Has Several Strong Components.

- Implements system that is simple, transparent, and rational.
- Provides additional funding for districts to serve needy students.
- Provides immediate increase in local flexibility to focus on local priorities.
- Offers reasonable phase-in period.
- Accomplishes restructuring within existing resources.



Devolving Virtually All Decision Making to Local Level Has Some Drawbacks.

- Important state priorities may not be accomplished.
- Does not ensure additional funding will translate to additional services for disadvantaged students.
- Overestimates power of existing accountability system.



Recommend Adopting Modified Version of Governor's Proposal. Recommend maintaining spending requirements for disadvantaged students until state has more robust accountability system. Specifically, require that districts spend supplemental "weighted" portion of allocation to provide supplemental services to disadvantaged students. Legislature also could modify allocation formula to preserve important priorities.



Weighted Student Funding Formula: Issues to Consider Related to EL Students



How Much Funding “Weight” Should State Provide for EL Students?

- Proposed weight of 37 percent, plus additional concentration funding, is significantly higher than current implicit weight of 8 percent.
- Proposal would not “double-fund” EL students who are also ED, which differs from the current EIA formula.
- High funding weights linked to EL status could create stronger fiscal incentives not to reclassify students as proficient in English.



How Should the State Ensure EL Students Receive the Services Necessary to Succeed?

- Under Governor’s proposal, all state spending requirements related to EL students would be repealed beginning in 2012-13.
- The current accountability system is not refined enough to accurately monitor EL student performance. Current system is based on aggregate comparisons of how EL students perform as a group from one year to the next, even though the students classified as EL change every year.
- The administration expresses intent to develop a new accountability system, but details are not yet available.