

Executive Summary

Colorado is one of forty-six states that allocate some form of funding for English-language learners (ELLs). In Colorado, this funding is provided in two forms: through a student-based weight and through a pair of categorical program distributions. First, certain ELL students are counted along with low-income students as “at-risk” for the purposes of the at-risk funding allocation, which is provided in the form of a sliding-scale weight ranging from 12% to 30%, depending on the concentration of eligible students in the district. Second, the State provides resources through categorical program funding under the English Language Proficiency Act (ELPA) and a related professional development and student support program fund. Categoricals provided \$375 per ELL student on average in FY2019. The ELPA portion of this funding is partially protected by Amendment 23 of the State constitution.

The sliding-scale at-risk weight is intended to be responsive to need, and for economically disadvantaged students it does an effective job of that. However, the formula’s definition for a qualifying ELL student is so restrictive that the impact on funding is miniscule. Statutory qualifications require a student not be eligible for free lunch (because a student can’t be counted twice). Additionally, a student must have 1) been in the US less than 12 months, meaning their CSAP scores are not included in school performance grades, or 2) taken the CSAP in an alternate language, which is allowed for in the first three years of ELL instruction, if an alternate test is available. This level of restrictiveness is uncommon nationally and may result in insufficient State support due to under-identification of need.

Categorical funding is more closely aligned with ELL rates, and is also intended to be responsive to need, with two different amounts for students with different levels of English proficiency. However, due to limited appropriations, the ELPA allocation falls well below the caps for both levels. Those numbers improve when support program funds are included, but still fall short of national norms. The available funding is distributed as a dollar amount, separate from program funding. This approach requires more legislative maintenance than weighted funding and is harder to compare against other weights and factors.

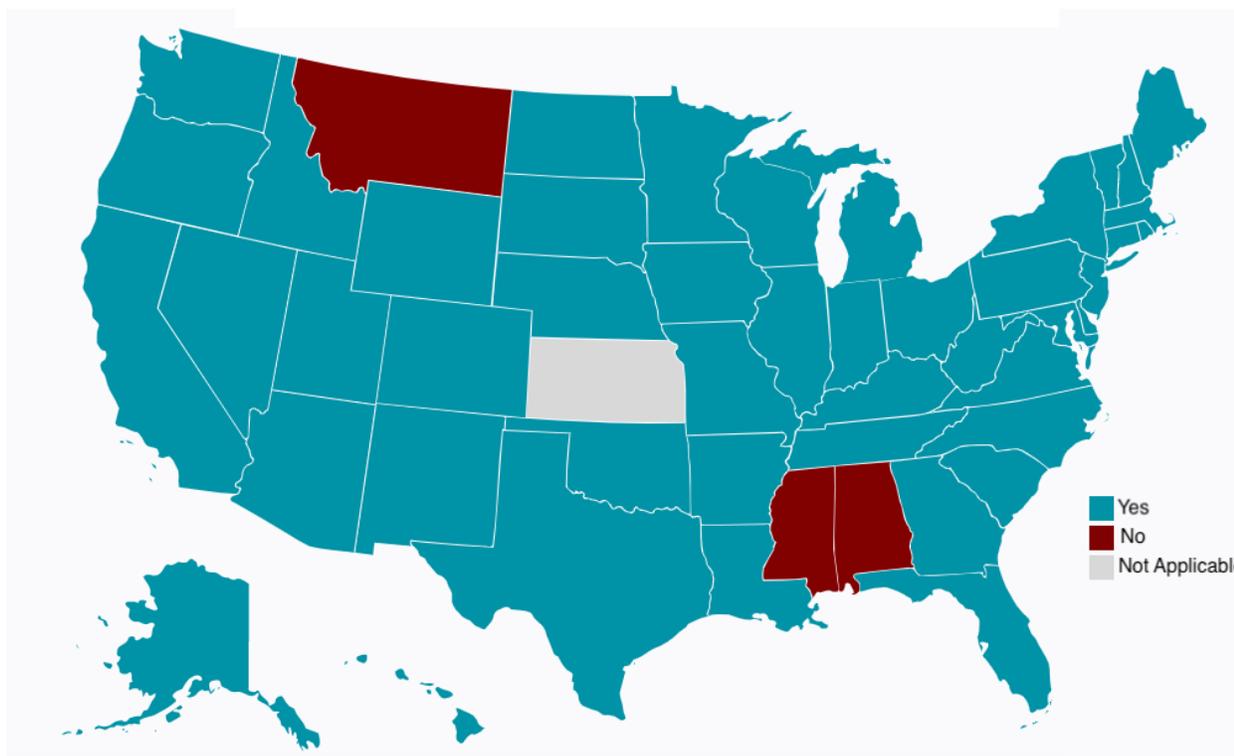
Rather than having two separate funding structures, a possible alternative would be to establish a separate weighted funding allocation for ELL students, diverting categorical and relevant at-risk funding to a single weight. Another approach would be to move either into a dedicated ELL weight, alone. If the State chooses to maintain the ELL at-risk structure, it may be worth considering the loosening of restrictions on funding qualifications—including the possibility of a duplicated count (a low-income, ELL student would count twice).

The State’s overall allocation for ELL students is low by national standards. An area that may be worth the State’s consideration is whether the current funding level is sufficient to aid districts in providing the additional supports necessary for a student learning a new language on top of the core curriculum.

I. Colorado’s current system of funding English-language learners

Colorado is one of forty-six states that allocate some form of funding specifically for English-language learners (ELLs).¹ In Colorado, this funding is provided in two forms: through a student-based weight and through a categorical program distribution.

Fig. 1: Does the state provide targeted funding for ELL students?



A small number of ELL students are counted along with low-income students (those eligible for free lunch under the National School Lunch Program) as “at-risk” for the purposes of the at-risk funding allocation. For the purposes of this count, ELL students are defined as those whose dominant language is not English, and either 1) their scores on the Colorado Student Assessment Program (CSAP) are not included in calculating their school’s performance grade, or 2) the assessment was administered in a language other than English. A student can qualify for the assessment exemption if they have attended schools in the US for less than 12 months. A student may take an alternative assessment for three years—assuming the State has an alternate available for the student’s language and grade level—at the end of which a student will begin taking examinations in English. There are a few options for a brief extension by waiver, but these are the general requirements.

¹ Tallies current as of the 2018 legislative session.

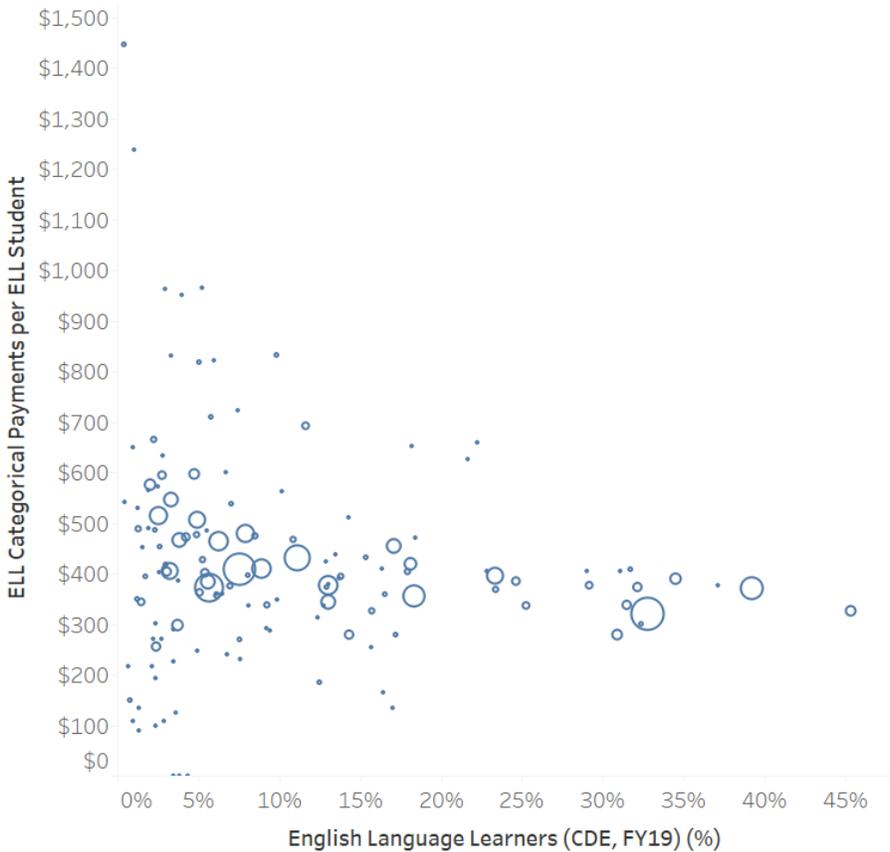
In addition, each student may only be counted once in the at-risk tally, so if a student otherwise qualifies but is also free-lunch-eligible, that student will only generate one at-risk allotment. As a result, only ELL students who are not eligible for free lunch generate additional funding through the at-risk allocation.

At-risk funding is provided in the form of a weight, or multiplier applied to the adjusted base amount (that is, the base amount after it is adjusted for district size and cost of living). This weight begins at 12%, meaning that eligible students generate at least an extra 12% of the district's base funding amount. For districts with a higher concentration of at-risk students than the State average, a higher weight is applied against the number of students above the average. This happens on a sliding scale: The weight rises by 0.3 percentage points (0.36 for districts with over 50,000 students) for every point by which the district's at-risk percentage exceeds the State average, up to 30%. Qualifying ELL students who are not eligible for free lunch are included along with free-lunch-eligible students in the counts used to calculate districts' at-risk percentages.

The second way that the State provides additional resources for ELL is through categorical program funding through the English Language Proficiency Act (ELPA) and a supplemental support program fund that is not subject to Amendment 23. ELPA funding is mentioned in Amendment 23 of the State constitution and is included along with other categorical programs in a group where total funding must increase each year by at least the rate of inflation. The support program funds are designed to mirror the ELPA categorical but without the constitutional limitations. ELL categorical funding consists of per-pupil allocations for students who either do not speak English or who speak another language as their primary language. State code provides for two per-pupil grant amounts for students with different levels of English proficiency. The first grant type is for students in need of more intensive language services; under ELPA it may generate up to the greater of \$400 per pupil or 20% of the State's average per-pupil revenue from the previous year. The second level of funding, for English-language learners with less intense needs, and under ELPA may generate up to the greater of \$200 per pupil or 10% of the State average per-pupil revenue from the previous year. In practice, ELPA provided just \$179 per ELL student statewide in FY2019. In conjunction with support program funding, however, that number increases to \$375 per ELL student. The allocations by district can be seen in Figure 2 (below).

The State budget also includes \$500,000 for ELPA Excellence Awards, given to districts with the highest ELL language and academic growth.

Fig. 2: Categorical Funding Per ELL Student vs. District ELL Rate



Note: ELL enrollment numbers vary depending on the dataset; figures in this document are based on the most complete State data available, the 2018–19 figures of pupil membership in instructional programs by district.

II. Assessing Colorado’s current policy

Responsiveness of English-language learner funding to need

The two ELL funding streams are in theory designed to be responsive to need. The at-risk weight, which distributes additional funding for qualifying ELL students, is on a sliding scale, so districts with high concentrations of eligible students should receive more at-risk funding per student. This is a laudable commitment to the research-supported idea that concentrations of need are often multiplicative.

The second ELL funding stream, through categorical allocation, is meant to be paid in different amounts for students with varying levels of English proficiency. This differentiation reflects the

This raises the concern that Colorado is not properly accounting for the separate resource needs that arise when a student is both low-income and learning a new language. While it is true that ELL students receive categorical funding, this yielded just \$375 per ELL student last year on average, and less in some districts. Meanwhile, ELL programs generally involve significant additional staff salary costs, and for rural or remote districts the diseconomies of scale drive per pupil costs even higher. These resource needs may be especially acute in light of the growth in ELL enrollments in Colorado, and the associated costs of starting or expanding programs.

Additionally, collapsing these two distinct groups into a single category impedes the purpose of the weight's sliding scale. The design is intended to be responsive to concentrations of need, increasing along with the percentage of at-risk students in the district, from a minimum of 0.12 to a maximum of 0.3. However, this percentage is driven almost entirely by the district's level of economic disadvantage rather than its ELL population.

Fig. 4: District At-Risk Factor vs. Free Lunch Rate

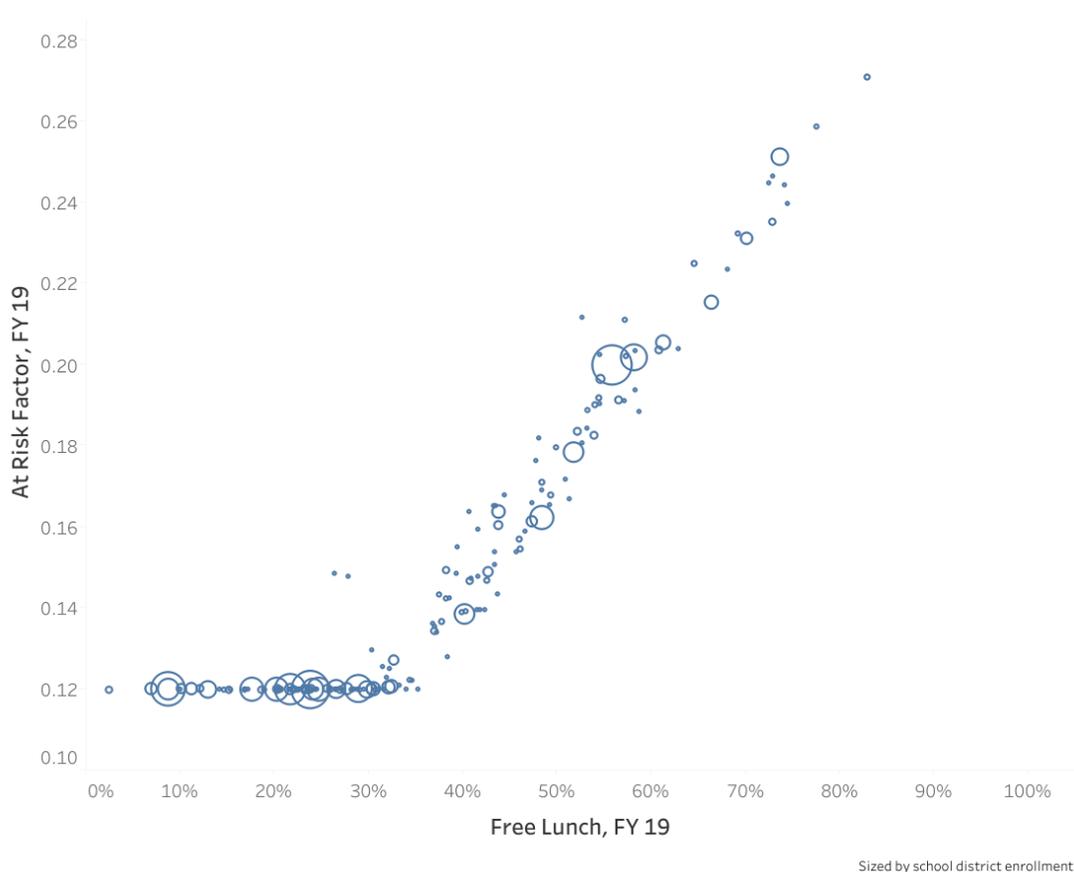
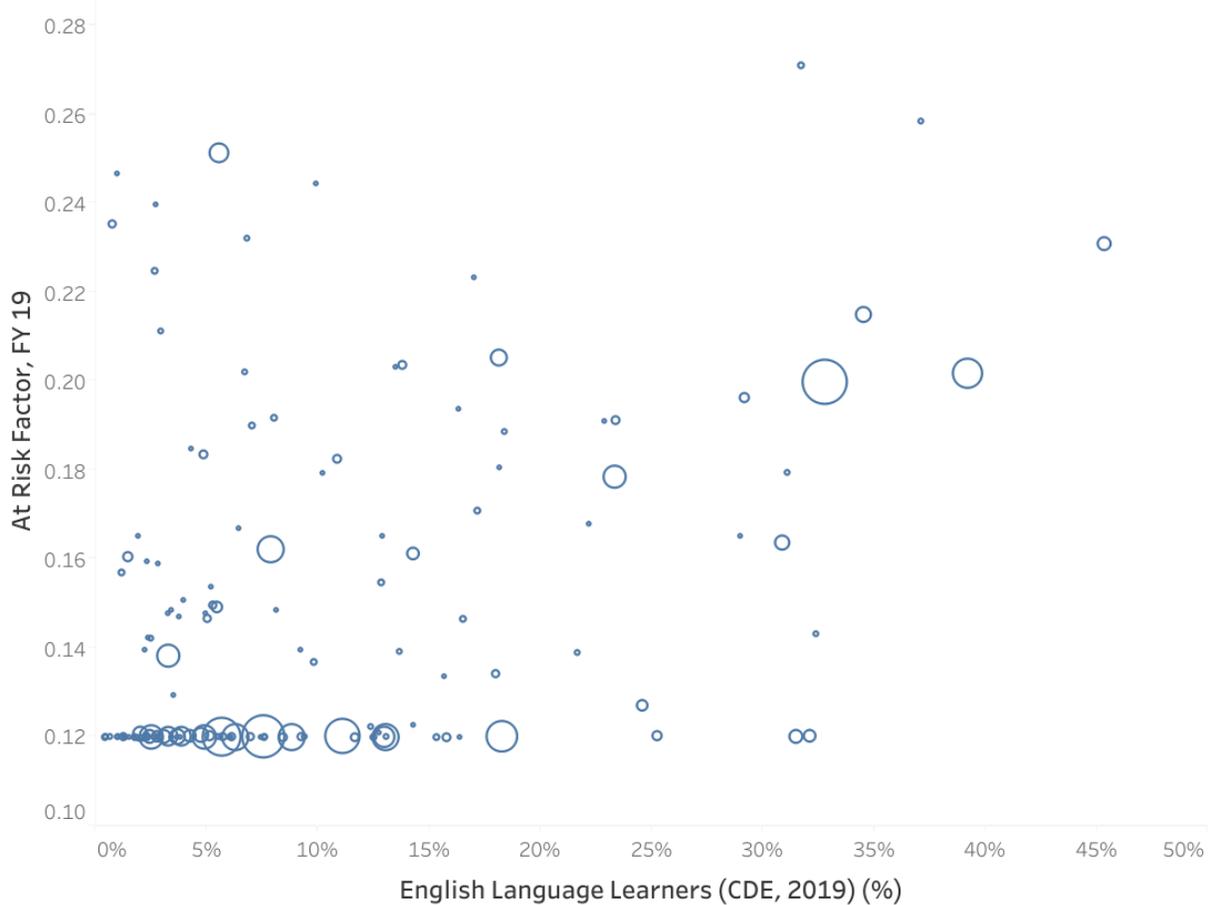


Figure 4 shows a clear relationship between a district’s assigned at-risk weight and the percentage of its students that are eligible for free lunch. As districts begin to float above 34.9% eligibility (the State average), the at-risk factor trends sharply upward to accommodate the additional resource requirements associated with a concentration of need. In this case, it is working as intended. The correlation between the at-risk weight and a district’s full ELL rate, though, is far weaker (Figure 5, below).

Fig. 5: District At-Risk Factor vs. ELL Rate



Sized by school district enrollment

The State may believe that ELL service costs do not behave like those associated with economic disadvantage, and that concentrations of need decrease cost, on a per pupil basis, due to economies of scale. In that case, it may be more efficient for ELL funding to sit outside of the at-risk category, rather than being combined with a demographic that drives funding needs in a functionally different way.

Form of categorical funding used to support English-language learners

The categorical funding distributed through the English Language Proficiency Act and support program currently goes out as a dollar amount, separate from and in addition to the program funding that is allocated through the base amount and the various weights and factors. The allocation of funding for ELL is also required in Amendment 23 of the constitution. There are downsides associated with set dollar amounts instead of a weight applied to the district's base amount, however. Dollar allocations must be addressed by the legislature in every budget, while weights are self-maintaining; their value adjusts automatically along with the base amount. Yearly exposure to the political process amplifies the risk of interests unassociated with district need influencing allocations.

Relatedly, providing funding support through weights helps maintain proportional equity as appropriations change. Once a certain percentage of the base amount has been assigned, that percentage stays constant relative to the base and other weights, regardless of the overall dollar amount in the system. This approach would also alleviate equity concerns related to the provision of funding through grants, which are not sensitive to local revenue-raising capacity. Allocations outside of the formula are not subject to the local-share calculation.

Size of the allocation supporting English-language learners

Currently, categoricals provide \$375 per ELL student on average. Given the State's 2018–19 base amount of \$6,769, this amounts to an effective funding weight of just 0.055. This is quite a low weight by national standards, and for free-lunch-eligible students, is the only additional support offered for ELL through the Colorado funding system.

Non-free-lunch eligible students also receive funding through the at-risk weight, which ranges from 0.12 to 0.3, depending on the district's concentration of eligible students. Even this support is middling by national standards, despite strict qualifying restrictions; ELL weights in other states are generally upwards of 0.2. It is worth considering whether the support provided is sufficient for ELL students in Colorado to thrive on par with their ELL peers elsewhere, or with their non-ELL classmates.

III. Policy options for English-language learner funding in Colorado

Inclusion of English-language learners in at-risk category

Given concerns about the restrictiveness of the ELL qualification for at-risk and the distinct needs of students who are both economically disadvantaged and English-language learners, Colorado could take one of a few approaches.

- 1) If the State believes that the duplicative costs associated with being both an English-language learner and economically disadvantaged are relatively small, then the simplest path would be to maintain the current system of counting dually eligible students only once for funding purposes. Similarly, if only the small demographic of students qualifying as ELL present a unique funding need, then the qualification restrictions should remain the same.

The main benefit of this approach is that it avoids the need for any changes to law or practice. It also allows ELL students to continue to contribute to the overall at-risk percentage that determines the district's at-risk factor, so districts with high numbers of qualifying non-free-lunch-eligible ELLs will see the sliding-scale at-risk factor increase for those students. Should additional funding be available for ELL in the future, it could be funneled through the categorical allocations without requiring any changes to the at-risk allocation. The downside of this course is that because it continues to limit qualifications so tightly, the majority of ELL funding will stay outside the formula, where district wealth is unaccounted for. Additionally, because the at-risk allocation does a poor job of aligning the sliding-scale weight with the concentration of ELL students in the district, the factor benefits districts with large numbers of low-income students more than those with needs related to ELL.

- 2) In order to fully account for the compounding resource needs of students who are both economically disadvantaged and ELL, Colorado could establish separate weights for these two at-risk groups, while either maintaining or loosening qualification restrictions.

In order to do this, the legislature would need to amend the definition of "at risk" for funding purposes in Colo. Rev. Stat. § 22-54-103. It would also need to add a new provision of law to establish a separate funding weight for ELLs.

The chief benefits of this approach are first, that it recognizes the distinct resource needs associated with both economic disadvantage and with learning English, and second, that it is clean: Needs are accounted for separately in discrete allocations, with no confusion about how to count students or tally districts' program funding. Keeping these weights separate would also allow the State to set different weights for the two need categories if desired. It also allows the State to maintain the qualification restrictions currently in place, if that is desired, without so significantly reducing the number of students receiving ELL funding

within the formula. The downside is that it requires the State to fund the new weight, and any new funding allocation will require prioritization and tradeoffs. Additionally, removing students from the at-risk total will mean a small reduction in the sliding-scale at-risk factor for some districts.

- 3) A middle course of action would be to keep ELL students as part of the at-risk category, but to either loosen qualification restrictions or use a duplicated count. Students who are at risk for reasons of both economic disadvantage and ELL status could be counted twice for funding purposes, and funded accordingly.

In order to do this, the legislature would need to amend the definition of “at risk” for funding purposes in Colo. Rev. Stat. § 22-54-103, but would not need to establish any other new provision of law.

Either expanding eligibility or allowing for a duplicated count would have the benefit of leaving the structure of the program funding equation largely unchanged while still recognizing the resource needs associated with both economic disadvantage and with learning English. It also allows ELL to contribute more impactfully to the overall at-risk percentage that determines the district’s at-risk factor, so districts with high numbers of free-lunch-eligible ELLs will see the sliding-scale at-risk factor increase for all their needy students. The downside is that it may confuse those used to the prior system, because the funding calculation will appear the same at first glance, and it could be a fairly expensive transition. It also does not allow the legislature to set different weights for low-income and ELL students if desired. Expanding eligibility may also count students that have less need while also pushing the sliding scale higher (the duplicated count approach would avoid this concern).

Form of categorical funding used to support English-language learners

On the practice of distributing categorical funding as a dollar amount outside the program funding calculation, the State could take one of three approaches.

- 1) The State could continue to allocate categorical funding in the current manner, through a dollar amount allocated outside the formula calculation.

This approach would have a few benefits. First, it avoids the need for any changes to statute or to district budgets. Second, funding for English-language proficiency programs is mentioned in Amendment 23 to the Colorado Constitution as one the categorical allocations that, together, must increase annually. Any change to its distribution would likely cause some concern about how to ensure that the State remains in compliance with Amendment 23. Maintaining the current structure would allow dollars to be longitudinally comparable without any data transformation, and would avoid any confusion about how to

count a reformed categorical allocation as part of the overall group of categoricals. However, the current system has its downsides: Weights have a number of advantages over dollar allocations, including reduced legislative maintenance and consistent division of the overall funding pie. The fact that this allocation is handled outside the total program calculation also raises equity concerns, because districts with high local tax receipts receive the same funding as those with little local wealth.

- 2) The State could convert the existing categorical allocation into a new formula weight for ELL students (or a sliding-scale weight, to support students at different English proficiency levels), while maintaining the at-risk weight as is. In this way, total categorical funding would remain the same, but the structure of its distribution would change.

In order to accomplish this change, the State would have to amend Colo. Rev. Stat. § 22-24-104 to describe a new method of funding distribution. No constitutional change would be required, though protections to the funding would need to be put in place to maintain compliance with Amendment 23, including a careful implementation of weights to ensure that after local-share calculations are completed the state allotments are still at the necessary levels.

This approach has a few pluses. First, the conversion of categorical funding to a weight would take advantage of all the benefits of funding through weights generally, including making it clear how these funds compare to the weighted funding distributed through the at-risk allocation, the cost-of-living adjustment, and the size factor, creating more transparency for the public about the State's priorities. Also, by bringing these dollars into the total program funding calculation as a weight, the State would make them subject to the local share. This would allow the State to redirect some of the funding currently being sent to high-local-revenue districts toward needier districts. However, this approach also has disadvantages: The small amount of funding currently in the ELL categorical would produce quite a low weight on its own (approximately .055). And by adding this weight to a system that already provides weighted funding for some ELLs through the at-risk allocation, the State risks duplicating efforts.

- 3) A more comprehensive solution would be to have a single weight that covers all ELL students, including those that were previously counted as part of the at-risk category, funded by categorical funds and a portion of the prior at-risk funds. This new ELL weight would be applied to the base alongside the at-risk weight, within the calculation of total program funding.

In order to implement this change, the State would have to amend Colo. Rev. Stat. § 22-24-104 to describe a new method of funding distribution, and would also need to modify the definition of "at risk" for funding purposes in Colo. Rev. Stat. § 22-54-103. No constitutional change would be required, though protections to the funding would need to be put in place

to maintain compliance with Amendment 23, including a careful implementation of weights to ensure that after local-share calculations are completed the state allotments are still at the necessary levels.

This approach, like the one above, has all the advantages of using weighted funding generally—transparency, comparability, low-maintenance structure, a consistent division of available resources. By bringing all ELL students into a single weighted category, distinct from an at-risk category that only includes students from low-income households, the State would allow for a clean comparison between the two weights, and better alignment of each category’s funding to the level of the particular need in the district. Additionally, making use of categorical funds along with the portion of at-risk funds once dedicated for ELL in that category would allow for a higher ELL weight than if it represented categorical funds alone. And by bringing all this funding into the total program equation, the State would apply the local share requirement to this funding as well, redirecting State funds to send to ELL students in lower-wealth areas. However, there are downsides. While this change could be made with appropriate deference to Amendment 23, year-to-year comparisons would be more complicated, and careful accounting would be required to stay in compliance with mandated increases.

IV. Funding for English-language learners in other states

General structure

Forty-six states currently provide specific funding for ELLs or programs serving these students.² There are a variety of approaches to providing this funding.

Inclusion of English-language learners in at-risk category

A few states other than Colorado count economically disadvantaged students and ELLs in the same category, and to provide weighted funding only once for students even if they meet both criteria. These states include:

- California, which provides funding through a supplemental weight of 0.20 for an unduplicated count of disadvantaged pupils, including those eligible for free or reduced-price lunch, those participating in federal assistance programs, ELLs, and foster youth.
- Louisiana, which provides funding through a supplemental weight of 0.22 for an unduplicated count of those eligible for free or reduced-price lunch and ELLs.

² Tallies current as of the 2018 legislative session.

However, the large majority of states that provide weighted funding for ELLs do so separately from any funding distributed for economically disadvantaged students. A few examples of this large group of states are:

- Oklahoma, where ELL students and those who are eligible for free or reduced-price lunch each generate funding through two separate supplemental weights, both equal to 0.25, such that a student who falls in both categories generates supplemental funding equal to 0.5 times the state's base amount.
- Maine, where ELL students generate supplemental funding through a sliding-scale weight that ranges from 0.5 to 0.7, depending on the concentration of ELL students in the district, while students who are eligible for free or reduced-price lunch generate funding through a supplemental weight of 0.15. In Maine, an ELL student who is eligible for free or reduced-price lunch can generate up to 0.85 times their district's base amount.
- Maryland, where the weight assigned to ELL students is 0.99, and the weight for students and those who are eligible for free or reduced-price lunch is 0.97. As a result, an ELL student who is eligible for free or reduced-price lunch receives a total weight of 1.96 in the formula calculation, in addition to their regular base funding.

New Jersey's policy occupies a middle ground between the two approaches described above. The state has an ELL weight that provides funding through a supplemental weight of 0.47. The state also has a separate poverty weight that provides funding on a sliding scale between 0.41 and 0.46, depending on the concentration of students from households whose incomes fall below 185% of the federal poverty level. However, when a student falls in both categories, the state reduces the weighted funding generated through the ELL weight to 0.099 times the base amount. Therefore, In New Jersey, an ELL student who is also economically disadvantaged can generate up to 0.559 times the state's base amount.

Form of the funding allocation used to support English-language learners

Across the 46 states providing some form of funding for English-language learners, the most common approach is to use a weight applied to the base per-pupil amount. Counting Colorado's at-risk weight in this category, 26 states use this approach. A few examples include:

- Louisiana, where ELLs are funded through a weight of 0.22 applied to the base amount.
- Missouri, which applies a weight of 0.6 to the base amount for eligible ELLs.
- Oregon, where ELLs generate funding through a weight of 0.5 applied to the base amount. (Oregon also provides a small amount of program funding for ELL instruction outside the formula.)

Eight states provide funding in the form of a dollar allocation distributed inside the funding formula. These include:

- Michigan, where ELLs receive formula funding equal to either \$410 or \$620 apiece, depending on their levels of English proficiency.

- Minnesota, which provides a base of \$704 for each ELL, and a second allocation that varies depending on the concentration of ELLs in the district, up to an additional \$250 per eligible student.
- Ohio, which provides either \$758, \$1,136, or \$1,515 per ELL, depending on the student’s history with English-language instruction and enrollment in U.S. schools.

Seven states provide ELL funding through designated allocations for particular resources, and especially for teacher positions. These are largely states that use resource-focused, teacher-unit-based allocations for their overall funding formula, unlike Colorado. They include:

- Illinois, where districts receive funding for one ELL core teacher per 100 students; one ELL intervention teacher per 125 students; and other support positions in a similar manner. The positions are funded at the state’s average salary level for those roles.
- Tennessee, where districts fund ELL teacher units based on a student-to-teacher ratio of 20 to 1, with units funded at a standard level (\$46,225 in FY2018).

Ten states, including Colorado, provide support to ELLs with grant or program funding outside the main formula calculation, either as their only ELL funding or in addition to other distributions. These include:

- Idaho, which allocates a share of its State Limited English Proficiency program appropriation to each district in proportion to its ELL enrollment.
- Wisconsin, which partially reimburses school districts for the costs of providing bilingual and bicultural education. The percentage of costs reimbursed is based on the amount appropriated for this purpose in the biennial budget.

Size of the allocation supporting English-language learners

Among states using weights to distribute their ELL funding, there is a wide range: Kentucky uses the lowest at 0.096, while Georgia uses the highest at 1.558. Colorado’s base at-risk weight of 0.12 is quite low by national standards, and even the highest possible weight of 0.3 is only middling. The following table lists the weights and effective supplemental funding levels for ELL students in place in various states, excluding the effects of other adjustments like Colorado’s cost-of-living and size factors. Oklahoma’s weighted funding is about on par with Colorado’s, while several other states in the region allocate notably more.

State	Weight	Base Amount	Supplemental Funding Amount
Oklahoma	0.25	\$3,042.40	\$760.60
Colorado	0.12	\$6,367.90	\$764.15
California	0.2	≥\$7,193	≥1438.60
New Mexico	0.5	\$3,979.63	\$1,989.82
Oregon	0.5	\$4,500	\$2,250

V. Conclusion

Colorado's support for ELL students represents a number of strong policy goals. Funding is provided in two ways that are meant to be responsive to need, and the ELL categorical funding allocation is specifically protected by the State Constitution.

However, the funding amount overall is low by national standards, and the allocations could be targeted more effectively. The inclusion of a limited number of ELL students in the at-risk count has downsides, as does the provision of categorical funding through a dollar amount rather than a weight.

The State might improve its policies through increased allocations; conversion of the categorical allocation to a weight; and/or separation of ELL students out of the at-risk category, to be weighted on their own.