



State-Tribal Relations Committee

PO BOX 201706
Helena, MT 59620-1706
(406) 444-3064
FAX (406) 444-3036

65th Montana Legislature

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TO: State-Tribal Relations Committee
FROM: Pad McCracken, LSD Research Analyst
RE: English Learners, funding options, and Indian language immersion
DATE: April 9, 2018

At its March meeting the State-Tribal Relations Committee requested more information on the options identified in an [earlier memo](#) to the Education Interim Committee on providing state funding to support school district programs serving English Learners and on the value of encouraging Indian language immersion programs.

Funding options

Below is an excerpt from the previously distributed memo (p. 3).

2. Provide state funding for **English Learners** (ELs; currently Montana is 1 of 4 states that provide no state funding; [20-9-309, MCA](#), includes the needs of ELs as an educationally relevant factor; EL achievement and graduation rates are low):
 - a. Provide a 1:1 state match for federal Title III dollars subgranted to districts by OPI. Accountability through piggybacking on federal grant requirements. (About \$500,000/year; about \$165/EL student based on 3,000 EL students)
 - b. Create EL component in formula, similar to American Indian Achievement Gap payment; a district receives a 100% state-funded payment (or state/local blend) of \$165/EL student. Accountability through new reporting to OPI or TBD. Could also limit to EL students served under Title III subgrants to piggyback on that accountability. (About \$500,000/year)
 - c. Include in weighted-student count

For all of these options, let me be clear that I have no information and am not aware of any research that provides estimates of the actual additional costs associated with providing effective programming to serve ELs (or any other group of students with special needs for that matter). This is one of the serious limitations in designing funding mechanisms for these groups and programs. We can look at what other states provide and we can look at expenditures, but there is no way of knowing if either of these metrics is a true reflection of the actual costs of running effective programs. The amounts provided in these options are on the low end when compared with amounts provided per EL by other states.

In terms of accountability—knowing that any additional state dollars for ELs are actually spent on effective programs serving ELs—it may work best to limit state funds to those districts that apply for and receive federal Title III subgrants from the OPI. The application and reporting process for these subgrants provides reasonable assurance of quality programming. The subgrant process includes:

- a count of identified EL students in the district;
- a description of the instructional programs to serve ELs that the district will undertake;
- a description of professional development activities to help teachers serve ELs;
- a detailed budget for providing services and professional development; and
- reporting on the professional development and instructional activities undertaken.

Piggybacking on the federal accountability in this way eliminates the need to add any additional application or reporting requirements for districts and may incentivize more districts to apply for Title III funds, which may trigger an increased federal allocation of Title III dollars to the state.

Option 2(a)—matching federal Title III dollars

The costs of matching federal Title III dollars as in 2(a) depend on two factors: the match ratio determined by the Legislature and the amount of federal Title III subgrants issued by OPI. The total amount of subgrants has been fairly consistent, typically right about \$500,000. Timing will likely demand basing the state match on the prior year’s subgrant amount. The table shows how a matching mechanism might work.

2(a)	Title III subgrants to districts	State match ratio	State cost
(i)	\$500,000	1:1	\$500,000
(ii)	\$500,000	2:1	\$1,000,000
(iii)	\$500,000	Based on approp	Amount of approp

Options (i) and (ii) above are straightforward, but depend on federal allocations remaining fairly consistent. Option (iii) protects the state and districts (to some degree) from fluctuations in federal funding and is set up like our existing at-risk payment—the amount appropriated would be distributed to each district based on the district’s Title III subgrant amount in proportion to the statewide subgrant total.

Example—If Hardin Public Schools receives 4% of Montana’s federal Title III funding (\$20,000), Hardin would also receive 4% of the state EL payment appropriation. If the state appropriation was \$300,000, Hardin would receive \$12,000 in state support on top of the \$20,000 in Title III funding.

Option 2(b)—creating a per-EL funding component

State costs in creating a per-EL student component as in 2(b) depend on two factors: the dollar amount per-EL student and the number of EL students. Creating a new per-EL student component may incentivize an increase in the number of EL students served (but this is not a problem if they are currently unidentified and therefore underserved ELs). Again, limiting this payment to EL students in districts receiving Title III subgrants is a way of ensuring accountability. The table below provides an idea of state costs based on differing amounts per-EL as well as if the number of ELs increased.

2(b)	# of EL students	per-EL amount	State cost
(i)	3,000	\$165	\$495,000
(ii)	3,000	\$300	\$900,000
(iii)	4,000	\$165	\$660,000
(iv)	4,000	\$300	\$1.2 million

For some perspective and comparison, here is what our existing American Indian Achievement Gap payment looks like, based on 2018 student counts and payment amount:

# of AI students	per-AI amount	State cost
20,350	\$210	\$4.3 million

Option 2(c)—weighted-student count

I do not recommend pursuing option 2(c)— using a numerical “weight” for ELs to increase a district’s ANB and therefore funding—unless we move to a similar methodology for the other categories of special needs students. Montana’s K-12 funding formula is already enough of a hybrid model without adding another layer of complexity. Option 2(b) is essentially a dollar-based weighted-student count.

Additional considerations regarding the funding options; and another possibility

With either option 2(a) or 2(b), including these mechanisms as components in the funding formula (rather than as a separate categorical payment to the miscellaneous program fund) is likely a more reliable approach, as it would take legislative action to defund rather than action to fund.

See the attached handout on K-12 funding basics for reference. It has been modified to reflect the addition of a funding component for ELs as in options 2(a) or 2(b).

Another option that is more along the lines of 2(a)(iii) would be to expand the existing payment for at-risk students to include English Learners by:

1. Increasing the current at-risk payment appropriation (\$5.4 million/year) by an amount determined by the committee (perhaps \$500,000); and
2. Including in the distribution calculation of the at-risk payment the amount of Title III money received by the district, and doing so in such a way as to not dilute the Title III dollars proportionally with the much larger Title I amounts.

While this may seem a bit like mixing apples and oranges together in one bag, it does save a bag (and creating/amending a number of sections of law). Plus English Learners fit within our statutory definition of “at-risk student” in [20-1-101\(4\), MCA](#):

"At-risk student" means any student who is affected by environmental conditions that negatively impact the student's educational performance or threaten a student's likelihood of promotion or graduation.

In terms of paying for a new EL funding component in what might be a tight budget cycle, apart from the creation of new revenue sources, there are really no attractive options. Some thoughts:

- While there are a number of ways of adjusting other components of the school funding formula to save state dollars, doing so would boil down to either reducing school budgets or increasing local property taxes.
- Reducing the cost to the state of a new EL component could be accomplished by making this component a blend of state-local funding rather than a 100% state-funded component, similar to the way the per-ANB and basic entitlements work. This would likely only reduce the state obligation a bit due to increased guaranteed tax base (GTB) aid (many of the districts with ELs receive high GTB subsidies due to low taxable valuations of property).
- See the discussion on page seven regarding the Montana Indian language preservation pilot program.

Hold on, are we trying to support English Learners or preserve tribal languages?

In short, it could be both.

It's important to remember in addressing this question that Montana's Constitution provides in Article X, Section 1:

(1) It is the goal of the people to establish a system of education which will develop the full educational potential of each person. Equality of educational opportunity is guaranteed to each person of the state.

(2) The state recognizes the distinct and unique cultural heritage of the American Indians and is committed in its educational goals to the preservation of their cultural integrity.

Developing a student's full educational potential requires supporting that student in becoming fluent in English.

Preserving cultural integrity by supporting Indian language immersion classrooms was the main purpose of [Senate Bill No. 272](#) (Windy Boy, 2015, short title: the "Cultural Integrity Commitment Act"). Its legislative findings and purpose are codified in [20-7-1402, MCA](#):

(1) The legislature finds that:

- (a) language in the form of spoken, written, or sign language is foundational to cultural integrity;
- (b) Montana tribal languages are in a time of crisis through the loss of native speakers, writers, and signers;
- (c) achievement gaps persist for Indian students, including higher dropout rates;
- (d) Article X, section 1, of the Montana constitution established the educational goals of:
 - (i) establishing an education system that develops the full educational potential of each person; and
 - (ii) preserving Indian cultural integrity.

(2) The purpose of this part is to promote innovative, culturally relevant, Indian language immersion programs for Indian and non-Indian students with the goal of raising student achievement, strengthening families, and preserving and perpetuating Indian language and culture throughout Indian country and Montana.

Dual language immersion, especially in the early grades, is a promising strategy to help both English Learners and other students become bilingual. Apart from the constitutional rationale already mentioned for encouraging students to be fluent in both English and in a tribal language, there may be other reasons to encourage bilingualism.

Research has found that there can be a number of benefits in speaking two languages including improved attention and executive function, boosts in overall school performance and engagement, and greater reading comprehension¹. Other research has called some of these claims into question², but a number of states are supporting dual language immersion classrooms. Utah, for example, points to the following as "proven benefits" of dual language immersion:

- Second Language Skills: Students achieve high proficiency in the immersion language.

¹ See for example http://carla.umn.edu/immersion/documents/ImmersionResearch_TaraFortune.html or <http://www.thomasandcollier.com/assets/jncl-nclis-white-paper-on-dual-language-education.pdf> (both referenced April 9, 2018)

² See for example <http://blogs.discovermagazine.com/neuroskeptic/2015/12/04/do-bilingual-people-have-a-cognitive-advantage/#.WsvZCYeWxsl> (published Dec 4, 2015; referenced April 9, 2018)

- Improved Performance on Standardized Tests: Immersion students perform as well as or better than non-immersion students on standardized tests of English and math administered in English.
- Enhanced Cognitive Skills: Immersion students typically develop greater cognitive flexibility, demonstrating increased attention control, better memory, and superior problem solving skills as well as an enhanced understanding of their primary language.
- Increased Cultural Sensitivity: Immersion students are more aware of and show more positive attitudes towards other cultures and an appreciation of other people.
- Long Term Benefits: Immersion students are better prepared for the global community and job markets where a second language is an asset.³

Other considerations

As noted at the March meeting, Montana is unique in our English Learner population in that our two largest groups of ELs are not students from immigrant families, but students from households where a “heritage” language is used—mostly tribal languages, but also the low-German dialects of the Hutterite communities.

What is not unique about Montana is that like every other state, our schools will be held accountable for the progress of English Learners under the new federal ESSA law. School report cards will include information on the achievement of English Learners, which will be factored into a school’s overall ranking. While Montana has relatively few English Learners compared to other states, we do have a number of districts with significant populations of English Learners. [20-9-309, MCA](#), states that the legislature is required to provide a basic system of quality public schools, including educational programs for students with limited English proficiency.

Last but not least...

In light of the potential for dual language immersion programs to help both English Learners and others become bilingual, it’s important to consider the current status of state support for Indian language immersion programs.

First, the Cultural Integrity Commitment Act is scheduled to terminate June 30, 2019.

Second, the 2017 Legislature did not appropriate money for these programs in the current biennium. When the act passed in 2015, it included a one-time-only appropriation of \$45,000 for the 2017 biennium. If the committee chose to act on this, it might consider:

³ <https://www.schools.utah.gov/curr/dualimmersion> (referenced April 9, 2018)

1. Extending or simply removing the act's termination date; and
2. Either providing an appropriation for the 2021 biennium or returning the act to its introduced form that intended support for these programs to be part of the school funding formula.

Additionally, the committee could consider amending the act to include an emphasis on the use of Indian language immersion programs as a way of serving American Indian English Learners.

Note—it is very easy to confuse the Indian language immersion programs under the Cultural Integrity Commitment Act created in SB 272 (2015) and the Montana Indian language preservation pilot program created in SB 342 (2013). The pilot program funnels grants through the Department of Commerce to Montana tribes to support language preservation efforts.

The pilot program received \$1 million in each year of the 2015 biennium, \$750,000/year in the 2017 biennium, and was slated for \$500,000 per year for the 2019 biennium (this was reduced in SB 261 to \$375,000/year). It is also scheduled to terminate June 30, 2019. If the pilot program is intended to conclude or be extended but with less state support, the committee may view the decreases in state support for preservation as opening up room in the state budget for supporting immersion programs and/or English Learners. That said, as one-time-only appropriations, preservation will not necessarily be a part of the proposed executive budget going into the 2019 session. In other words, you won't be able to "find" money that wasn't there in the first place.

K-12 Funding Basics - District General Fund

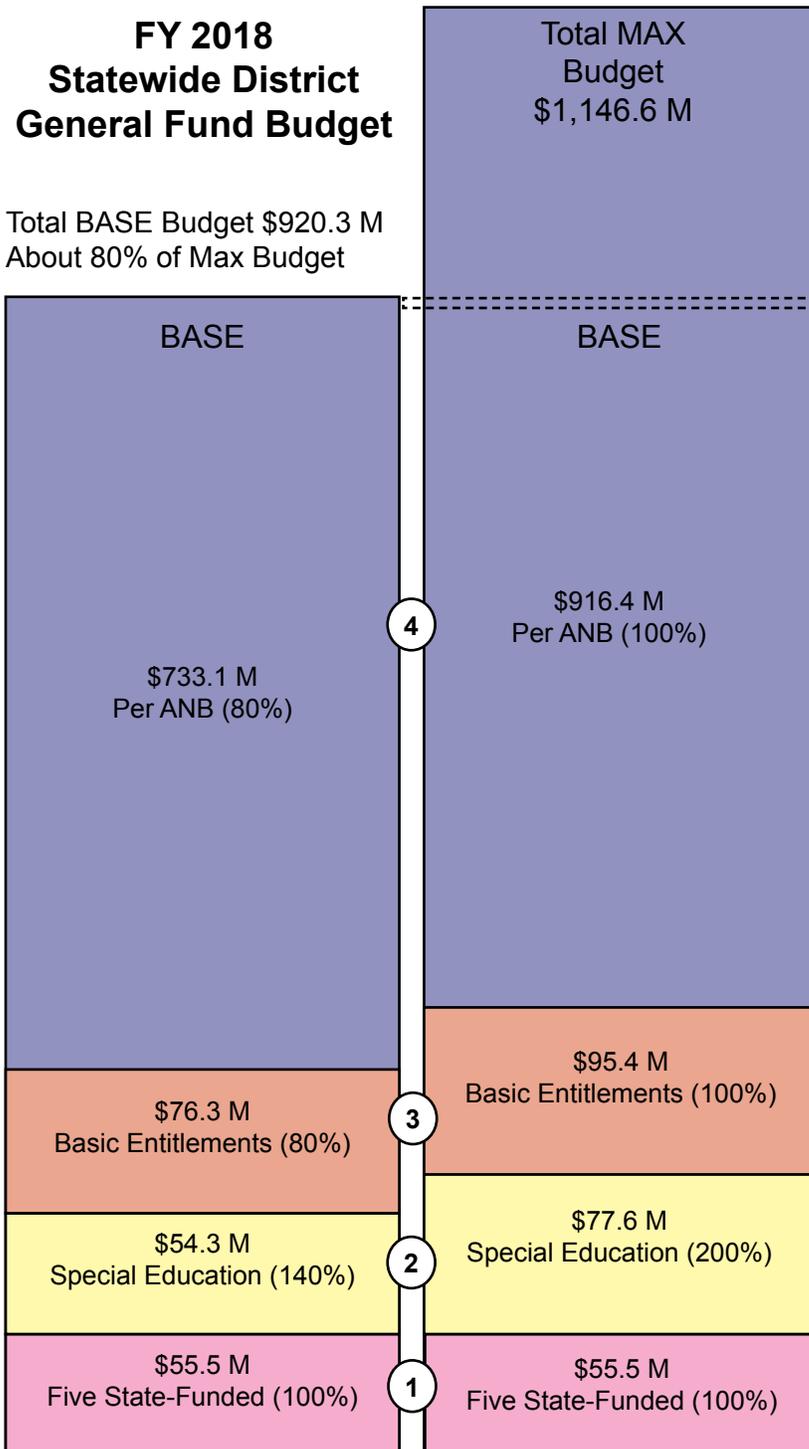
School district general fund budget limits are established based on percentages of various funding building blocks.

Building blocks	BASE Budget Limit	MAX Budget Limit
Per ANB Entitlement	80%	100%
Basic Entitlement	80%	100%
Special Ed Payment	140%	200%
Five State-Funded Components	100%	100%

6. English Learner Payment - a payment to schools for programs serving students who are not proficient in English and live in a household with a non-English language of impact

FY 2018 Statewide District General Fund Budget

Total BASE Budget \$920.3 M
About 80% of Max Budget



District General Fund

The largest school district fund is the general fund. Statewide districts adopted general fund budgets of \$1.1 billion and received \$750 million in state support.

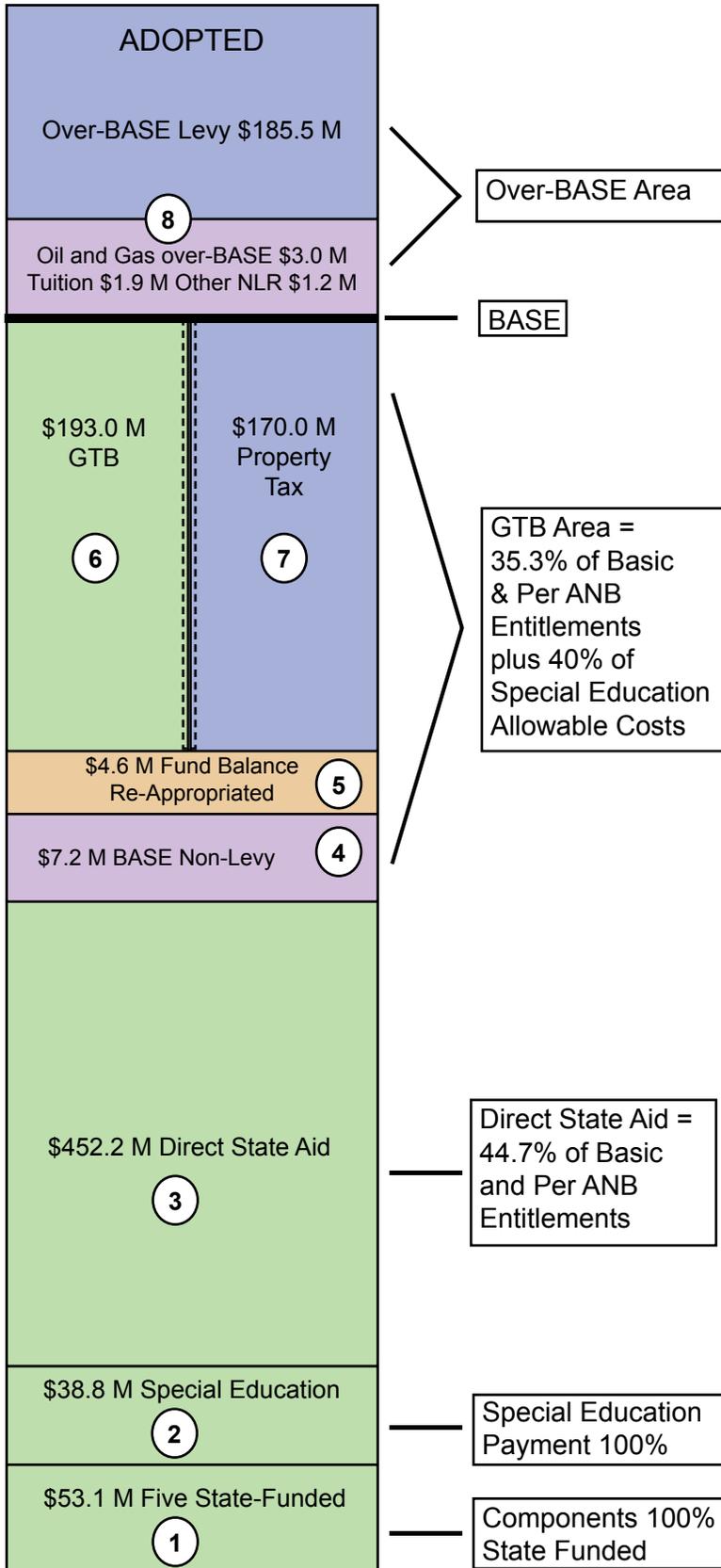
- 4 **Per ANB Entitlement**- Average Number Belonging - A per-ANB dollar amount based on the average count of students attending a district in October and February of the previous school year.
- 3 **Basic Entitlement** - A set amount per district based on whether it is an elementary school district, middle school district, or high school district. Districts with higher enrollment are eligible for additional basic entitlement "increments."
- 2 **Special Education Payment** - an amount per ANB regardless of the count of special education students. Portions of the special education appropriation go to cooperatives and to reimbursements for high-cost students.
- 1 **Five State-Funded Components**
 1. Quality Educator Payment - A per-FTE payment for teachers and other licensed professionals **\$40 million; \$3,200/FTE**
 2. At Risk Payment - A payment to schools to address at-risk students; or students who are affected by an environment that negatively impacts performance and threatens the likelihood of promotion or graduation **\$5.4 million; proportional to Title I**
 3. Indian Education For All Payment - A per-ANB payment to fund the constitutionally required education regarding the cultural heritage of the American Indians. **\$3.3 million; \$20/ANB**
 4. American Indian Achievement Gap Payment - A per-American Indian student payment for the purpose of closing the performance gap that exists between American Indian students and non-Indian students **\$4.3 million; \$210/AI**
 5. Data for Achievement - A per-ANB payment used by school districts to pay for costs associated with student data systems **\$3.1 million; \$20/ANB**

Add #6 here

FY 2018

Adopted budget \$1,112.9 M
About 97% of Max Budget

School district general fund adopted budgets are funded with a blend of state and local revenues.



- 8** Any Over-BASE area of a district's adopted budget is funded by available nonlevy revenues, tuition payments, and/or an Over-BASE levy approved by voters.
- 7** • BASE Property Taxes - Local property tax revenues
- 6** • GTB - Guaranteed Tax Base Aid - A state subsidy for mill levies used to equalize property wealth across the state. GTB aid provides a subsidy per mill to eligible districts
- 5** • Fund Balance Re-appropriated - Any excess district general fund from the previous year
- 4** • BASE Non-levy Revenue - Items such as interest earnings, facility rental income, summer school, oil and gas revenues, coal gross proceeds
- 3** Direct State Aid - received by every district and is equal to 44.7 percent of the district's Per-ANB and Basic entitlements
- 2** Special Education Payment - Formula funds provided to local school districts in the form of block grants
- 1** Five State-Funded Components - 100% funded by the state

The GTB Area is funded by:

GTB Area = 35.3% of Basic & Per ANB Entitlements plus 40% of Special Education Allowable Costs

Direct State Aid = 44.7% of Basic and Per ANB Entitlements

Special Education Payment 100%

Components 100% State Funded

Other State Funding

The legislature is also responsible for setting rates for state participation in teacher's retirement, transportation and debt service. Formulas for those payments can be found in Title 20, Chapter 9 of the Montana Code Annotated.

Impacts to Local Districts

The legislature's role is to assure adequate funding for a quality school system. If the legislature needs to adjust the formula, there could be local tax consequences. The main source of local contribution is property taxes.

Local Property Tax	Local Non-Levy
Fund Balance Re-Appropriated	State (BASE Aid)



Nick VanBrown, Lead Fiscal Analyst
406-444-4461



Pad McCracken, Research Analyst
406-444-3595
Laura Sankey Keip, Attorney
406-444-3064