

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 14-0325
Prime Sponsor(s): Rep. Navarro

Date: April 15, 2014
Bill Status: House Education
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SHORT TITLE: ENGLISH LANGUAGE PROFICIENCY PROGRAMS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	<u>\$609,953</u>	<u>\$579,382</u>
State Education Fund	552,982	518,852
Centrally Appropriated Costs**	59,971	60,530
FTE Position Change	6.6 FTE	6.6 FTE
Appropriation Required: \$552,982 - Colorado Department of Education (FY 2014-15)		

* This summary shows changes from current law under the bill for each fiscal year.

** These costs are not included in the bill's appropriation. See the State Expenditures section for more information.

Summary of Legislation

This bill repeals and reenacts the English Language Proficiency Act (ELPA), recreating a state program providing supplemental funding to local education providers (LEP) (school districts, the state Charter School Institute, and facility schools) to implement English language proficiency programs. The Colorado Department of Education (CDE) is required to allocate state money to a LEP for each student receiving services from an English language proficiency program. LEPs may receive an allocation for each student for up to five budget years.

Under both federal and state law, each LEP is required to provide an ELL program for English language learners. Under this bill, LEPs are also required to:

- develop a process by which a student's academic performance, growth, and language proficiency will determine exit from the program and also a process for students to reenter the program, if necessary;
- report and certify to the CDE the number of non-English language learners enrolled in ELL programs;
- assure the CDE that their ELL program is in compliance with state and federal laws; and
- provide detailed program budgets and year-end expenditure reports.

Under current law, the CDE has responsibility to allocate both federal money and state money used to supplement ELL funding in school districts. Under this bill, the CDE is also required to:

- identify the English language proficiency assessments to be used by LEPs;
- annually review statewide levels of English language proficiency for ELLs;

- assist LEPs to develop, implement, and evaluate ELL programs, including the provision of guidance documents and technical assistance;
- monitor each LEP's program based on student performance and the LEP's compliance with program requirements outlined in the bill; and
- allocate and track state funding to LEPs, including budget and expenditure review.

English Language Proficiency Act Excellence Award Program (award program). The bill creates a program to provide grant awards to LEPs that achieve the highest English language and academic growth among English language learners who transition out of a program. The State Board of Education (SBE) must create rules and set the award amount based on the student enrollment in qualifying LEPs. The CDE will administer the program and allocate awards. Each LEP that receives an award must submit data analysis of its ELL program and report how award money was used. The CDE must make the information reported available to other LEPs and to the public.

Professional Development and Student Support Program (support program). The CDE will also administer a support program to provide moneys to LEPs to offset costs incurred in complying with the new act, to support professional development for ELL educators, and to expand programs to assist ELL students in achieving greater content proficiency. The CDE will calculate the allocation from the support program to LEPs on a pro rata basis, based on ELL enrollment and the amount appropriated to fund the program by the General Assembly.

The CDE is permitted to use 2.5 percent of moneys allocated from these two newly created program funds for administrative overhead. The new programs may receive appropriations from the State Education Fund.

Background

ELPA provides financial assistance to districts who serve students whose dominant language is not English. School districts receive state funding through a variety of programs designed to serve special groups of students or student needs. The state constitution designates a group of these programs as "categorical programs," including English language proficiency programs. The General Assembly is required to increase the sum of funding for all categorical programs by at least the rate of inflation each year; however, the total amount appropriated and the allocation across categorical programs is determined by the General Assembly. These appropriations are primarily paid from the General Fund and the State Education Fund.

ELPA categorical funding is disbursed on a per-pupil basis to districts for up to two years for each participating student, and is allocated across student tiers based on the student's degree of English language proficiency. House Bill 14-1298, the annual school finance bill, also proposes to repeal and reenact ELPA combined with \$30 million in additional funding for ELL students. House Bill 14-1336 (the Long Bill) provides funding for 4.1 additional FTE at the CDE to support ELL programs.

State Expenditures

In FY 2014-15 state expenditures increase by \$609,953 and 6.6 FTE. Increased state expenditures in FY 2015-16 are \$579,382 and 6.6 FTE.

For FY 2014-15, new expenses are for staff at the CDE to implement the oversight and accountability requirements in the bill, and to allocate supplemental funding to LEPs for ELL programs, if provided by the General Assembly. New staff in the CDE are required to:

- establish and implement accountability criteria, policies, and practices for local instruction of ELLs;
- assist local education providers to assess and identify ELL students;
- monitor and evaluate local ELL programs including budgetary oversight;
- track and disaggregate testing data to measure the academic progress of students identified as ELL;
- develop and implement an awards program and a professional development and student support program, subject to available appropriations; and
- provide administrative and technical assistance across LEPs.

The department will also have increased costs for printing and website updates, for legal assistance from the Department of Law, and for travel. Total expenses are estimated in Table 1.

Cost Components	FY 2014-15	FY 2015-16
Personal Services	\$441,382	\$441,382
FTE	6.6	6.6
Operating Expenses and Capital Outlay	37,310	6,270
IT Technical Support	50,000	50,000
Travel, printing, misc.	21,200	21,200
Legal Services	3,090	-
Centrally Appropriated Costs**	56,971	60,530
TOTAL	\$609,953	\$579,382

This bill does not increase the categorical appropriation for English language programs. Rather, the bill requires that the CDE monitor and enforce program accountability in school districts, and creates two new programs in the department to allocate additional funding to LEPs for their ELL programs. The bill authorizes funding for the new programs and the CDE's administrative expenses from the State Education Fund.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are estimated in the fiscal note for informational purposes and summarized in Table 2.

Cost Components	FY 2014-15	FY 2015-16
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$29,719	\$29,719
Supplemental Employee Retirement Payments	27,092	30,652
TOTAL	\$56,971	\$60,530

*More information is available at: <http://colorado.gov/fiscalnotes>

School District Impact

Total funding provided to LEPs for ELL programs is unchanged by the bill; however, allocation of ELL funding across LEPs will change. Under this bill, LEPs may count students for per-pupil funding for up to 5 years, and be eligible to receive award grants from the CDE for the continued academic growth of ELL students. As more students are counted for allocation, total per-pupil funding will increase for some LEPs and decrease for other LEPs. This is due to the provision to spread existing funding across 3 additional years, and as a result of repealing the tiered allocation formula in current law.

Under current law, LEPs with the least expensive ELL students to educate (Tier C) receive about \$34 per student. Since the tiers are eliminated and the total categorical appropriation is now allocated across additional ELL students, these LEPs may now receive more per student. In other LEPs with more expensive ELL students to educate (Tiers A and B), total appropriations may decrease since the bill funds all students equally. These LEPs currently receive about \$800 for each of these students. Under this bill, the amount per student will be less.

Under current law, school districts and Boards of Cooperative Educational Services (BOCES) may submit estimates of fiscal impacts within seven days of a bill's introduction. As of the date of this fiscal note, no summaries of fiscal impacts were submitted by districts or BOCES for this bill. If summaries of fiscal impacts are submitted by districts or BOCES in the future, they will be noted in subsequent revisions to the fiscal note and posted at this address: <http://www.colorado.gov/lcs>

Technical or Mechanical Defects

The bill permits the CDE to expend up to 2.5 percent of the moneys annually appropriated from the grant program funds to offset the costs incurred in implementing the new law; however, this indirect rate may be insufficient to cover the department's fixed costs.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

House Bill 14-1336 (the Long Bill) provides funding for 4.1 FTE in the Colorado Department of Education for expanded ELL services. Should HB 14-1336 become law, this bill requires an appropriation of the incremental cost: \$131,398 and 1.6 FTE.

If this funding is not provided in the Long Bill, then for FY 2014-15, this bill requires a State Education Fund appropriation of \$552,982 and 6.6 FTE to the Colorado Department of Education.

State and Local Government Contacts

Education

Law