



BTC Brief

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Funding the Educational Success of All Learners:

Aligning the Formula to Support English Learners

By **ALEXANDRA FORTER SIROTA, DIRECTOR, BUDGET & TAX CENTER**

Introduction

Every child must have access to a sound, basic education according to our state Constitution. It turns out this makes sound economic sense, strengthens communities and improves civic participation.¹ For many children of immigrants and immigrant children, an education in North Carolina's public schools is falling short of delivering a sound basic education by failing to provide the adequate resources to support the instruction methods and environment that will allow children to succeed.

With nearly 100,000 English learners in North Carolina public schools and as the global economy demands a higher level of cultural and linguistic diversity and competency, there is economic urgency around preparing each child with the tools needed to reach their potential in the classroom and the future.²

In the General Assembly's work to review education funding formulas and resulting allotments to school districts by the state, changes to the specific formula that provides supplemental funding for English learner programs should take into account growing linguistic diversity and evidence around what works to boost educational attainment of English learners. Additionally, funding for English learners should also provide the resources and services necessary to overcome student achievement gaps. Given the demonstrated benefit to all students of exposure to well implemented and designed dual-language learner programs, a financing system that makes possible the delivery of the best educational practices, like dual-language learner programs, will benefit all students.

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This *BTC Brief* provides an overview on why funding matters for educational attainment and particularly for English learners, a review of the funding formula

and what it means for school districts—urban and rural and provides some recommendations for aligning the state’s funding formula with the goal of supporting each child’s educational success.

Funding Matters for Educational Attainment

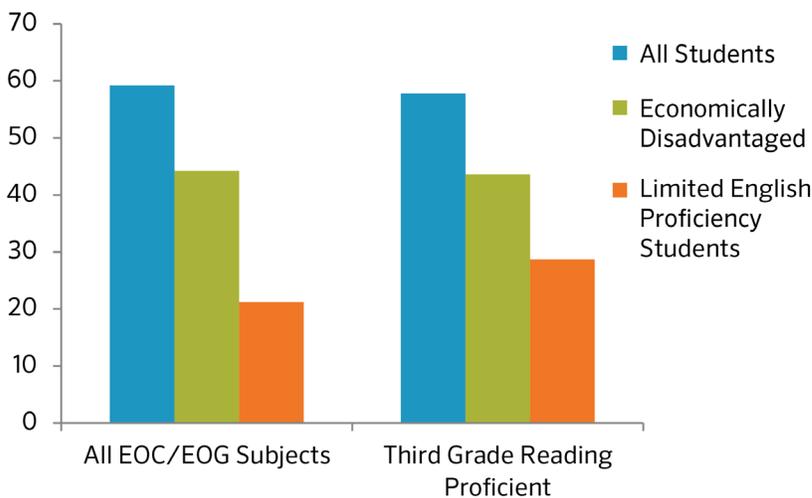
Investing in education is a proven strategy for states to build the foundation for a strong economy and promote widespread prosperity. Funding of education – from early childhood programming to small class sizes and classroom technology – has been found to increase children’s educational achievements from 3rd grade reading proficiency to high-school completion and college attendance.³ Additionally targeted dollars to groups that face additional barriers to educational attainment—high poverty levels in the household or community, for example—have been found to have a positive impact on children’s educational outcomes and lifetime earnings.⁴ For example, analysis that looked at North Carolina’s own Disadvantaged Student Supplemental Funding found that middle-school students performed better than their peers in other districts that did not receive the funding.⁵

Research clearly shows that funding matters as well for English learners. In a review of the major studies conducted by states regarding funding education adequately, researchers found that English learners, when included and considered in the studies, did not receive funding sufficient to achieve set performance standards.⁶ Researchers looking across countries have also found that supplemental

funding can provide significant support to closing the achievement gap and supporting the educational needs of certain groups.⁷

There is also emerging evidence that funding directed towards inclusive educational practices boost the educational outcomes for all children while providing important skills for the future.⁸ A North Carolina study of dual language learner programs in urban and rural districts found that all dual language students perform higher regardless of their subgroup and for some students their scores are as much as two years higher than their peers.⁹ This is clearly an effective tool not just for educating English learners but for closing the achievement gap—a critical goal for North Carolina’s education system.

FIGURE 1: Closing the difference in achievement across students with different English language abilities will require adequately funded classrooms



SOURCE: NC Department of Public Instruction, Accountability and Testing Results, 2016-2017 and NC Department of Public Instruction, Four Year Cohort Graduation Rate.

Currently in North Carolina, English learners face greater barriers to achieving educational milestones such as third grade reading proficiency and high school graduation than their peers.

The need to align the funding formula to support the achievement of English learners is imperative to meet the state’s constitutional requirement to deliver a sound, basic education to every child and to ensure each child can reach their full potential.

Major Trends Require a Change to How North Carolina Funds English Language Learning

There are three major trends that are worth considering in discussion of English learners in North Carolina.

The number of English learners has plateaued after significant growth in the late 1990s and early 2000s.¹⁰ Since 2001, the number of English learners has grown by 154 percent. More recently, the number of English learners has stabilized, hovering around 100,000 students statewide since

2009, consistent with the stabilizing trends in immigration more broadly.¹¹ According to recent data from the US Census Bureau, 11.3 percent of North Carolinians over the age of 5 live in a home where a language other than English is spoken. That is up from 9.6 percent of North Carolinians who lived in a home where a language other than English was spoken in 2009.¹²

FIGURE 2: English learners represent a stable number of students in K-12

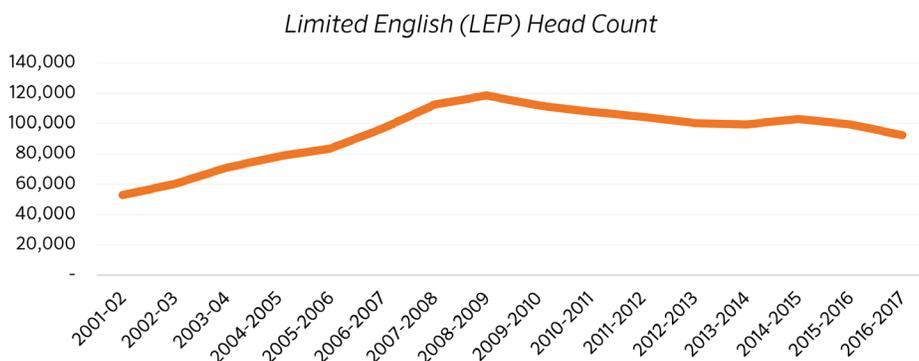


FIGURE 3: English learners are in every school district—urban and rural

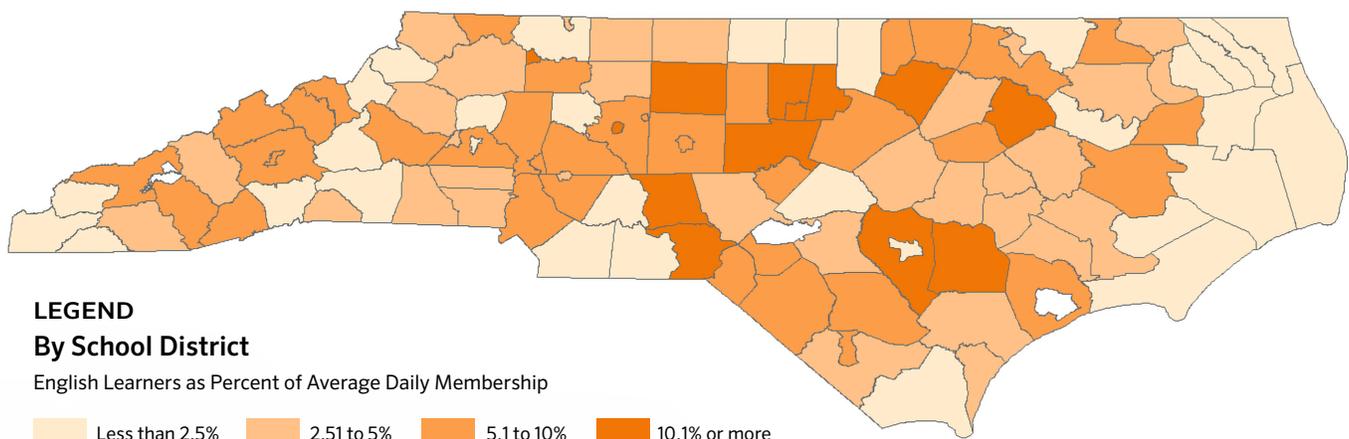


FIGURE 4: Top five languages spoken by NC students

English	84.89%
Spanish	12.8%
Arabic	0.33%
Vietnamese	0.25%
Chinese	0.22%
Hmong	0.17%

SOURCE: <http://eldnces.ncdpi.wikispaces.net/file/view/Language+Diversity+Briefing+February+2016.pdf>

The concentration of English learners is not limited to urban centers. Figure 3 shows that many rural school districts have the highest concentrations of English learners.¹³ Rural school districts tend to rely more on federal and state dollars to fund their public schools. Limits on local revenue capacity make it difficult for local systems to address the shortfall in state commitments.¹⁴

Finally, the linguistic diversity of English learners is growing. The increasing number of native languages spoken by NC students puts pressures on school personnel who must engage with language learners across multiple native languages.¹⁵ This is a trend that researchers at the national level have acknowledged requires greater investigation into effective instructional models for linguistic diversity in the classroom as well as consideration of interpretation access and family engagement strategies.¹⁶

Funding Formula for Students Designated Limited English Proficient Is Not Reflective of Need

The formula that is used to allocate state funding to each of the 115 school districts in the state takes into account the number of English learners in the district. This is a supplemental allotment used in conjunction with base funding to support the educational needs of English learners.

To be eligible for funding, districts must have at least 20 students or 2.5 percent of their student population identified as English learners. Limited English Proficiency (LEP) in North Carolina is identified through home language surveys and assessments.¹⁷

Funding is capped up to a student population identified as LEP that is 10.6 percent of the district’s total headcount. If, for example, 12 percent of a district’s students are English learners, they will only receive supplemental funding on the basis of 10.6 percent of their students.

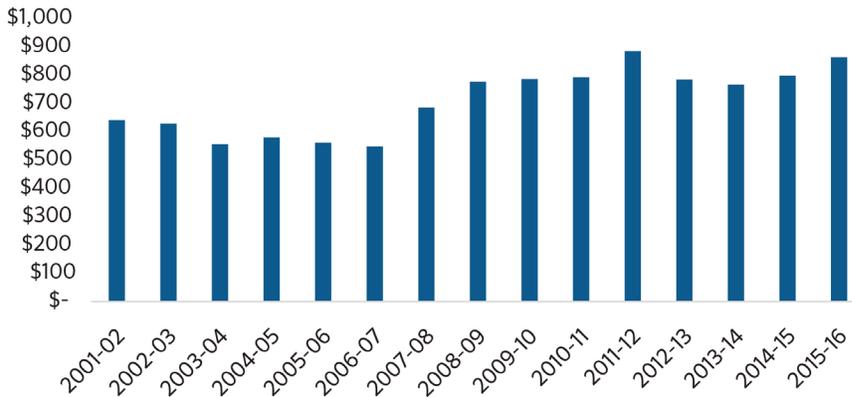
After determining which school districts are eligible, funds are then allocated according to the following formula:

- 1. All eligible school districts receive base funding equivalent to one teacher assistant position.**
- 2. 50 percent of funds are distributed based on the concentration of English learner students**
- 3. 50 percent of funds are distributed based on the weighted 3-year headcount of English learners**

This funding formula applied to the most recently available data means that 13 school districts have a greater concentration of English learner students than the formula funds. For these districts, the students they serve over the 10.6 percent threshold generate no additional supplemental funding from the state.

Five school districts—Swain, Pamlico, Camden, Gates and Weldon City—have English learner students who do not generate supplemental LEP funding because the populations do not

FIGURE 5: Supplemental funding per English learner students has fluctuated in recent years



meet the minimum eligibility threshold to generate supplemental funding.¹⁸

The state first began allocating funding to educate English learners with the commitment of \$5 million in 1998-99. Subsequent annual appropriations increased the state’s commitment as the population of English learners grew. In 2008-09, an English Learner received \$685.

Today’s per child investment of \$862 is slightly below the peak in funding at \$884 in 2012-13. While supplemental funding for English learners has increased moderately, districts’ ability to meet the needs of English learner students has been hampered by cuts in support staff and classroom materials. As a result, English learners have acutely felt the inadequacy of the state’s commitment to invest in education in recent years.¹⁹

Reforms Are Needed

The General Assembly has formed a legislative commission to study all education funding formulas. The commission should consider specific reforms to support the education of English learners.

As noted in the NC Program Evaluation Division’s study of the funding formula in November 2016, the concentration factor in the LEP formula along with the minimum threshold create wide variations in funding levels for school districts.²⁰ At a minimum, state policymakers should eliminate the minimum threshold requirement and the arbitrary 10.6 percent funding cap.²¹

Achieving an adequate and equitable funding system to support English learners, however, will require going beyond these recommendations. Policymakers should also consider implementing a factor accounting for the number of native languages spoken by students in a school district. The legislative study should also examine and cost-out the models most likely to eliminate achievement gaps for English learners. North Carolina’s large and persistent achievement gaps for English learners clearly demonstrate that these students require additional supports and resources that are currently lacking.²²

The costs associated with providing children with access to English as a Second Language teachers, one-on-one supports, translation for parents, professional development for regular education teachers working with English learners, and appropriate textbooks and materials is real. Today’s funding falls short of the need and creates a barrier for children’s educational success that can be overcome with changes to the funding formula and a commitment overall to adequate funding.

In so doing, legislators can ensure that the state is preparing every child for educational success. ■

APPENDIX: LEP Funding Across NC

	SHARE OF ALL STUDENTS*	THIRD GRADE READING PROFICIENCY**		SUPPLEMENTAL FUNDING PER LEP STUDENT*
	LEP	LEP	ALL	
Alamance-Burlington Schools	9.30%	29.0	53.4	\$846.27
Alexander County Schools	2.33%	15.0	64.3	\$811.03
Alleghany County Schools	6.40%	*	54.7	\$1,098.13
Anson County Schools	1.98%	*	46.6	\$1,021.62
Ashe County Schools	3.11%	*	64.5	\$915.89
Avery County Schools	6.19%	28.6	63.4	\$963.56
Beaufort County Schools	5.84%	34.8	54.5	\$761.58
Bertie County Schools	1.00%	*	48.3	\$2,024.05
Bladen County Schools	6.35%	33.3	54.1	\$813.06
Brunswick County Schools	3.87%	25.3	55.7	\$654.88
Buncombe County Schools	6.40%	24.3	59.7	\$720.22
Asheville City Schools	1.82%	27.3	67.9	\$906.63
Burke County Schools	7.92%	24.5	53.6	\$802.19
Cabarrus County Schools	5.21%	26.6	60.0	\$663.58
Kannapolis City Schools	9.37%	21.4	43.6	\$904.05
Caldwell County Schools	2.83%	34.7	61.8	\$637.83
Camden County Schools	0.22%	*	77.2	\$-
Carteret County Public Schools	2.02%	27.3	66.8	\$705.12
Caswell County Schools	1.02%	*	51.9	\$1,741.37
Catawba County Schools	7.21%	21.7	56.1	\$763.56
Hickory City Schools	11.39%	18.0	55.2	\$969.84
Newton Conover City Schools	10.15%	28.2	55.6	\$979.53
Chatham County Schools	11.29%	28.9	59.8	\$930.89
Cherokee County Schools	0.69%	*	67.9	\$1,953.70
Edenton-Chowan Schools	2.25%	*	55.2	\$1,269.22
Clay County Schools	3.42%	50.0	61.5	\$1,318.70
Cleveland County Schools	1.55%	30.6	58.9	\$630.59
Columbus County Schools	3.03%	43.5	41.9	\$740.68
Whiteville City Schools	4.13%	38.5	58.8	\$971.49
Craven County Schools	3.48%	37.7	60.5	\$636.69
Cumberland County Schools	2.07%	35.1	57.3	\$535.18
Currituck County Schools	0.82%	*	61.9	\$1,498.70
Dare County Schools	6.08%	28.8	65.9	\$795.96
Davidson County Schools	2.02%	28.1	62.4	\$586.77
Lexington City Schools	12.31%	40.0	51.4	\$1,002.59

APPENDIX: LEP Funding Across NC (cont.)

	SHARE OF ALL STUDENTS*	THIRD GRADE READING PROFICIENCY**		SUPPLEMENTAL FUNDING PER LEP STUDENT*
	LEP	LEP	ALL	
Thomasville City Schools	12.28%	24.2	35.6	\$1,032.58
Davie County Schools	3.75%	25.0	59.6	\$724.02
Duplin County Schools	17.23%	18.4	39.7	\$1,053.84
Durham Public Schools	13.98%	20.3	44.6	\$952.98
Edgecombe County Public School	4.39%	12.9	32.4	\$739.21
Forsyth County Schools	10.98%	22.0	52.8	\$898.93
Franklin County Schools	5.00%	27.4	50.1	\$716.35
Gaston County Schools	4.70%	25.9	51.0	\$643.93
Gates County Schools	0.37%	*	48.9	\$-
Graham County Schools	1.67%	*	61.8	\$2,208.50
Granville County Schools	5.09%	20.8	49.9	\$727.29
Greene County Schools	13.06%	28.6	44.1	\$1,010.56
Guilford County Schools	7.56%	30.8	53.4	\$758.91
Halifax County Schools	2.12%	*	37.7	\$1,136.35
Roanoke Rapids City Schools	4.19%	23.5	48.3	\$881.09
Weldon City Schools	0.46%	*	26.3	\$-
Harnett County Schools	5.69%	29.8	51.1	\$695.25
Haywood County Schools	2.65%	38.2	63.8	\$706.49
Henderson County Schools	9.41%	35.8	64.7	\$861.82
Hertford County Schools	1.87%	30.0	41.1	\$1,133.00
Hoke County Schools	6.20%	15.8	49.1	\$755.34
Hyde County Schools	5.11%	*	63.0	\$1,760.00
Iredell-Statesville Schools	4.67%	26.5	59.5	\$656.70
Mooresville City Schools	3.60%	44.8	70.8	\$729.13
Jackson County Schools	3.44%	17.4	48.1	\$827.38
Johnston County Schools	7.90%	26.2	57.7	\$778.63
Jones County Schools	2.78%	*	74.7	\$1,657.23
Lee County Schools	11.22%	31.3	59.8	\$924.37
Lenoir County Public Schools	4.83%	42.2	48.0	\$707.01
Lincoln County Schools	2.79%	40.5	66.5	\$643.04
Macon County Schools	6.53%	42.5	62.5	\$823.99
Madison County Schools	1.45%	*	79.1	\$1,493.35
Martin County Schools	1.92%	9.1	40.6	\$1,053.97
McDowell County Schools	5.93%	24.5	57.8	\$770.21
Charlotte-Mecklenburg Schools	11.40%	33.0	58.4	\$898.90
Mitchell County Schools	4.54%	*	51.5	\$1,025.29

APPENDIX: LEP Funding Across NC (cont.)

	SHARE OF ALL STUDENTS*	THIRD GRADE READING PROFICIENCY**		SUPPLEMENTAL FUNDING PER LEP STUDENT*
	LEP	LEP	ALL	
Montgomery County Schools	9.96%	40.0	49.2	\$950.43
Moore County Schools	2.98%	24.5	66.5	\$634.41
Nash-Rocky Mount Schools	4.73%	21.8	40.5	\$668.34
New Hanover County Schools	4.21%	22.0	63.7	\$628.58
Northampton County Schools	1.63%	*	30.3	\$1,680.72
Onslow County Schools	1.39%	23.6	59.8	\$565.15
Orange County Schools	7.77%	20.0	56.4	\$820.73
Chapel Hill-Carrboro Schools	11.09%	31.3	73.8	\$919.30
Pamlico County Schools	1.48%	*	47.7	\$-
Pasquotank County Schools	2.49%	25.9	47.9	\$766.18
Pender County Schools	3.47%	22.8	64.1	\$670.88
Perquimans County Schools	1.22%	*	58.9	\$2,185.75
Person County Schools	2.45%	35.3	57.5	\$829.99
Pitt County Schools	3.91%	28.5	49.7	\$621.94
Polk County Schools	2.77%	38.5	70.1	\$1,113.45
Randolph County Schools	5.33%	29.9	57.8	\$685.62
Asheboro City Schools	17.20%	28.2	47.6	\$1,076.76
Richmond County Schools	4.46%	26.1	50.7	\$717.26
Robeson County Schools	6.40%	24.0	38.6	\$721.35
Rockingham County Schools	4.17%	21.3	51.0	\$664.11
Rowan-Salisbury Schools	6.14%	22.4	51.0	\$713.31
Rutherford County Schools	1.68%	20.8	62.7	\$738.54
Sampson County Schools	13.91%	37.3	60.0	\$972.39
Clinton City Schools	9.02%	27.6	55.2	\$943.75
Scotland County Schools	0.60%	*	43.5	\$1,423.29
Stanly County Schools	2.82%	36.8	59.5	\$679.29
Stokes County Schools	1.01%	*	64.6	\$1,019.80
Surry County Schools	9.01%	43.2	64.8	\$864.39
Elkin City Schools	6.44%	27.3	69.1	\$1,156.29
Mount Airy City Schools	6.31%	42.1	47.2	\$1,038.33
Swain County Schools	0.97%	*	62.6	\$-
Transylvania County Schools	2.20%	25.0	65.7	\$972.09
Tyrrell County Schools	7.87%	*	52.1	\$1,489.29
Union County Public Schools	5.42%	33.0	70.4	\$667.57
Vance County Schools	6.69%	37.5	41.6	\$796.94
Wake County Schools	7.34%	29.7	67.4	\$741.79

APPENDIX: LEP Funding Across NC (cont.)

	SHARE OF ALL STUDENTS*	THIRD GRADE READING PROFICIENCY**		SUPPLEMENTAL FUNDING PER LEP STUDENT*
	LEP	LEP	ALL	
Warren County Schools	2.05%	*	55.2	\$1,287.73
Washington County Schools	4.24%	23.5	39.3	\$1,131.95
Watauga County Schools	2.75%	18.5	68.4	\$810.63
Wayne County Public Schools	8.94%	27.2	47.5	\$832.84
Wilkes County Schools	4.76%	31.2	53.9	\$700.89
Wilson County Schools	5.50%	26.1	50.5	\$709.48
Yadkin County Schools	6.36%	30.4	60.4	\$801.23
Yancey County Schools	5.99%	9.5	64.5	\$945.77
NORTH CAROLINA	6.68%	28.7	57.8	\$815.27

* FY 17-18

** FY 16-17

Endnotes

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