



*English Learner Education  
Program Guidelines*

**FUNDING**

*August 2011*

# FUNDING

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## Frequently Asked Questions

### 1. Do we have to stop serving English learners (ELs) after 5 years?

*NO.* State LEP funding status is not to be used in determining service of ELs. Districts may not deny services to a student on the basis of state funding status. Service is to be determined through the program definition. Although a student may not be eligible for state funding, appropriate services still need to be provided.

### 2. Is state LEP revenue the only source of district funding for quality EL programming?

*NO.* Primary responsibility in meeting the needs of ELs lies in the local school district. Additionally, a variety of state and federal resources are available to supplement (but not supplant) local resources. Funding sources that can be used for quality EL programming include: general education revenue, state LEP funding, compensatory funding, transition revenue, Title I funding and others described in this chapter.

### 3. Do our students have to take the state language proficiency assessment in order to generate state funding?

*YES.* LEP identified students in grades 4-12 enrolled in a Minnesota public school during the dates in the previous school year when the TEAE was administered will not be counted as LEP for funding purposes unless the student scored below the state cutoff score on the TEAE during the previous year. Beginning in school year 2011-2012, ACCESS for ELLs will replace the TEAE/MN-SOLOM as the state language proficiency assessment.

### 4. Do new students generate state LEP funding?

*YES.* Students new to Minnesota schools will count toward Average Daily Membership (ADM) figures. They must be assessed as requiring EL services, LEP identified in MARSS, and be served in a program to generate state funding.

### 5. Do open enrolled students generate state LEP funds?

*YES.* LEP funding eligibility applies to open enrolled students. *Please note: if the student is LEP and generated 5 or more ADM or has been identified as ineligible for state LEP funding prior to open enrolling, the student would not generate state LEP funding in the open enrolled district.*

### 6. Do non-public students generate LEP dollars?

*YES.* Minnesota state law allows districts to serve non-public LEP students provided that service is offered on the same terms as for public school LEP students. If a district serves non-public LEP students, the students are treated as shared time students for state funding purposes. The students are included in the district's LEP count and generate state LEP

dollars. Additionally, non-public students generate federal Title III dollars which the non-public can access upon annual consultation with the public school.

**7. Can ELL generate more than 1.0 ADM per year?**

*YES.* For the purpose of state LEP funding, beginning with FY 2004, regular and LEP ADM is limited to 1.0 for each student. However, students served more than full-time in a learning year program generate additional ADM, not to exceed 0.2 ADM per student, which is used only for the calculation of extended time revenue. Extended time revenue may be used for extended day, extended week, summer school, or other programming authorized under learning year program. LEP students enrolled for less than the full school year will generate less than 1.0 ADM.

**8. Do we receive LEP or other general education funding for students age 21 or over?**

*NO.* Students age 21 or over generate ABE funding if they are enrolled in Adult Basic Education Program. They are ineligible to generate general education revenue. Students who are age 20 when they enroll during a school year but who turn 21 during the school year are eligible to complete the year and generate general education revenue, including LEP funding. It is the district's decision whether or not to serve students 21 or over in K-12 setting programs.

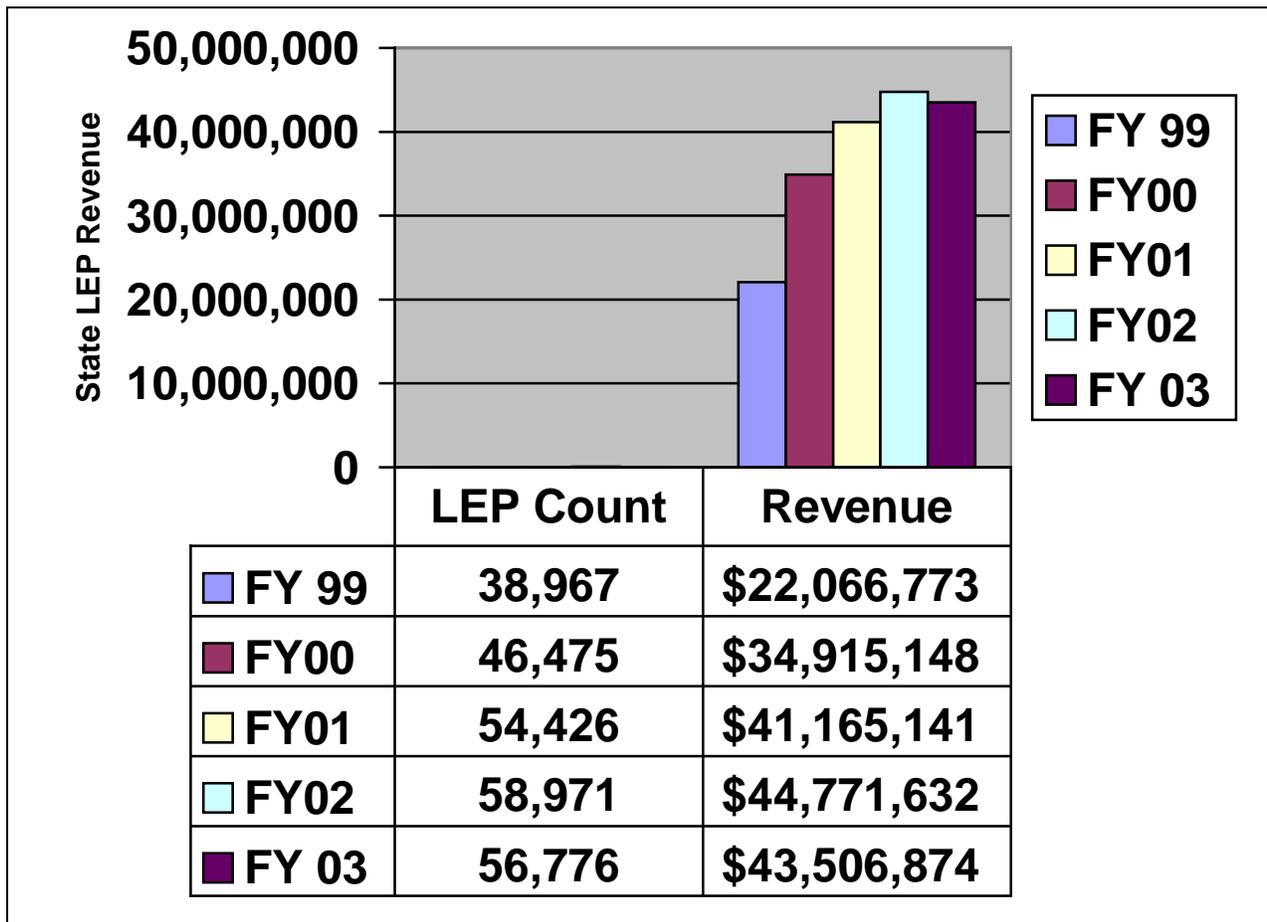
## Overview of Chapter

The State of Minnesota and the Federal government recognize that it costs money for districts to support quality programming and services for ELs. This chapter outlines relevant laws, policies and procedures related to state and federal LEP funding.

Over the years, the annual amount of funding from both the state and from the federal government for ESL programs has increased. So too have the number of ELs. The increase in funds parallels the increase in students. Recent increases in federal funds outpace the increases in the number of ELs nationwide. For example, in 2002-2003, the federal funds specifically earmarked for ELs under Title III totaled 665 million dollars, sharply up from the 220 million the year before the enactment of Title III.

Chart 1 below shows how Minnesota state LEP funding has increased proportionally to number of students identified:

*Chart 1: MN State LEP Revenue*



In 2003, the legislature determined that ELs who have been in Minnesota schools for 5 years (actually 5 years of average daily membership) shall no longer generate state level LEP funds. At the same time, however, the 2003 legislature increased the amount of funds that other ELs generate by approximately 20 percent.

## State LEP Funding Change

The 2003 Minnesota Legislature made significant changes to pupil accounting for state LEP funding.

Beginning in FY 2004, LEP funding is limited to students who:

1. Have generated fewer than 5 years average daily membership (ADM) between July 1, 1996 and the beginning of the current school year in Minnesota public schools.
2. Are served in a program for LEP students during the current fiscal year.
3. In grades 4-12 were enrolled in a Minnesota public school during the dates in the previous school year when the Test of Emerging Academic English (TEAE) was administered and scored below the state cutoff score on the TEAE during the previous year.

The method of counting LEP students changed from a simple headcount to average daily membership (ADM). Eligible LEP students enrolled in the district for less than the full school year will be counted based on the ADM they generate while enrolled in the district (not to exceed 1.0 ADM for a full year).

In addition, the FY 2003 legislature clarified that students in grades 4-12 who were enrolled in a Minnesota public school during the dates in the previous school year when the Test of Emerging Academic English (TEAE) was administered must not be counted as an LEP student for funding purposes unless the student scored below the state cutoff score on the TEAE during the previous year. Beginning school year 2011-2012 ACCESS for ELLs will be administered, and replace the TEAE for funding purposes.

**State LEP funding status is not to be used in determining service of LEP students.**

Many ESL teachers and school administrators have expressed concern that the funding formula assumes that ELs do not need ESL or bilingual education services after their first five years in school. The funding formula does not, in fact, make any statements regarding length of programming whatsoever. The funding formula exists simply to distribute the state funds available for ELs in an equitable manner across all the districts in the state.

Service is to be determined through the program definition. Districts may not deny services to a student on the basis of state funding status. Although a student may not be eligible for state funding, appropriate services still must be provided. State LEP funding is supplemental funding meant to offset costs of quality programming. Other funds available to districts in meeting the requirements of programming for EL students include other state compensatory dollars, local revenue, federal Title III dollars and federal Title I dollars.

Table 1 below shows major funding sources to be used for EL programming. Other funding sources may apply as well. Administrators, parents, and EL professionals are key in ensuring that funds are allocated toward EL programming.

**Table 1: Major funding sources to be used for EL programming**

	Type of Funding	Amount	Parameters
<b>STATE FUNDS</b>	Basic State LEP Revenue	\$700 per LEP ADM served	Each student can only generate 5 ADM.
	LEP Concentration Revenue	Up to \$250 per LEP ADM served	Each student can only generate 5 ADM.
	State Compensatory Revenue	Up to \$2,512 per pupil	Depends on poverty concentration at the site level.
	Transition Revenue	varies	Ends 2008 or beyond in some cases.
	Basic General Education Revenue	\$4,601 times grade level weight per pupil	Amount per pupil determined annually by legislature.
	Other General Funds	varies	Based on demographics, building characteristics, teacher characteristics and many other factors.
<b>FEDERAL FUNDS</b>	Title III	Approximately \$100 per LEP student identified.	District must generate at least \$10,000 to be eligible. Amounts per pupil vary from year to year depending on federal allocation and other factors.
	Title I	Up to \$1,200 per identified pupil.	Per pupil amount can vary greatly depending on district poverty statistics and other factors.
	Other Federal Sources	varies	Many grants are awarded on a competitive basis.

## Use of Funds

Primary responsibility in meeting needs of ELs lies with the local school district. School districts must use local resources to provide quality programs to LEP students in order to comply with legal requirements. State and federal LEP funds are intended to *supplement not supplant* local resources in meeting the needs of ELs.

### A. State Funds

State level funding comes in a variety of formula programs. Districts must consider each funding source when allocating resources toward educating ELs. The most relevant of these programs is described below, but districts can consider a wider variety of options as well.

#### 1. Basic State LEP Revenue

Basic State LEP Revenue is combined with Compensatory Education Revenue to form the Basic Skills component of General Education Revenue. LEP Revenue is generated for your district by the number of LEP students (Basic State LEP Revenue) and the concentration of your district's LEP population (LEP Concentration Revenue).

*Essentially, the amount of funding generated depends on the number of ELs. A district with more ELs will generate more funds.*

**Basic State LEP Revenue =**

**\$700.00 X Adjusted Marginal Cost (AMC) of eligible LEP average daily membership (ADM) served**

- Students who have generated 5 or more ADM in Minnesota schools before the start of the current school year are not eligible to be counted for state LEP revenue calculations.
- Students in grades 4-12 who were enrolled in a Minnesota public school when the Test of Emerging Academic English (TEAE) was administered during the prior year are not eligible unless they scored below the state cutoff score on the TEAE.
- AMC LEP ADM served = the greater of current year eligible LEP ADM served or the sum of 77% of current year plus 23% of prior year.

*Either*

\$700 X current year eligible LEP ADM

*Or*

\$700 X .77 X current year eligible LEP ADM

+ \$700 X .23 X previous year eligible LEP ADM

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Total State LEP Basic Revenue for current fiscal year

*The formula that generates the greater amount of money for the district will automatically be used! If the EL population is increasing in the district, the first formula will be used. If the EL population is decreasing, the second formula will be more advantageous to the district.*

- If AMC LEP ADM served is greater than 0 but less than 20, 20 is used in the calculations. Therefore the minimum amount of state basic LEP revenue possible is \$14,000. If the current year count is zero, the district does not qualify for revenue. Regular minimum LEP funding (\$14,000) will not be prorated for FY04 or later years when the district serves less than 1.0 ADM. In other words, a district that served an eligible LEP student for as little as one day (0.01 ADM) will still generate \$14,000.

**LEP Concentration Revenue=**

**LEP enrollment X \$250.00 X LEP concentration factor**

- The LEP concentration factor equals the lesser of 1 or the ratio of district's LEP concentration percent to 11.5%. In other words, if a district has 11.5% LEP students or greater, that district will receive \$250 in LEP Concentration Revenue for each qualified LEP student. If a district has less than 11.5% LEP students, that district will receive a proportionally lower amount than \$250 per student.

## MARSS Reporting of LEP Students for State LEP Funding

Districts will receive state LEP revenue if LEP students are reported in the Minnesota Automated Reporting Student System (MARSS). For MARSS reporting, districts should report a student with a Limited English Proficient flag of “Y” if they meet the LEP program definition of the district. This determination is to be made independently of whether or not a specific student generates funding. The program definition is:

Pupil of limited English proficiency means a pupil in kindergarten through grade 12 who meets the following requirements:

- (1) The pupil as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English as determined by the Home Primary Language Questionnaire.
- (2) The pupil is determined by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in classes taught in English.

Therefore, there will be some students identified as LEP on MARSS, but who will not generate funding. When LEP ADM for state level funding is computed, students identified on MARSS as LEP but who are ineligible for funding will be excluded.

Table 2 below shows the three data elements in MARSS which trigger LEP funding.

**Table 2: MARSS Data Elements**

DATA ELEMENT	INPUT TYPE
Home Language Code	Enter a numerical code indicating Home Primary Language.
LEP Identified	Enter a Y for YES or an N for NO indicating identification based on developmentally appropriate measures.
LEP Start date	Enter the date that the student begins EL service each school year. <i>If the parent refuses service, do not enter a start date. If an LEP identified student does not receive EL service, do not enter a start date.</i>

It is imperative that MARSS Coordinators and EL Coordinators work closely together to correctly identify and report LEP students. MARSS Coordinators and EL Coordinators should report changes in LEP enrollment during the year to the Business Manager.

## 2. State Compensatory Revenue

Compensatory Education Revenue must be used to meet the educational needs of pupils (including ELs) who enroll under-prepared to learn and whose progress toward meeting state or local content or achievement standards is below the level that is appropriate for learners of their age. Districts must consider the concentration of children from low-income families, children with limited English proficiency and children with disabilities in each school building when allocating targeted needs revenue.

Compensatory revenue is based on free and reduced lunch counts. The amount of compensatory revenue generated by a free lunch student varies from school to school. A free lunch student in a wealthy school generates very little compensatory revenue. A free lunch student in a high-poverty school can generate more than \$2,500. Reduced lunch students generate half as much as free lunch students.

### **3. Transition Revenue**

Due to the magnitude of changes funding changes as a result of the 2003 legislative session, a transition or hold harmless provision was written in order to mitigate the short-term financial impact on districts. Transition revenue guarantees that a district's FY 2004 general education revenue per old formula, excluding referendum revenue and alternative attendance adjustments, will not be less than the lesser of:

- The district's FY 2003 general education revenue per AMCPU, excluding referendum revenue and alternative attendance adjustments, or
- The amount that the district would have received per AMCPU for FY 2004 under the laws in effect before the changes enacted in 2003.

EL coordinators and others must advocate for the allocation of transition revenue (as well as other revenue) toward quality EL programming.

### **4. General Education Revenue**

The general education allowance provides school districts with a majority of their revenue. For example, the general education revenue for the 2003-2004 school year was \$4,601 per pupil unit. A district's formula revenue is made up of a local property tax levy share and a state aid share.

## **B. Federal Funds**

### **1. Title III Funds**

Title III, a component of the No Child Left Behind Act of 2001, is a program of language instruction for limited English proficient and immigrant students. The federal government allots grants to states based their respective LEP and immigrant student enrollments, and the states, in turn, distribute the funds to local districts based on their LEP counts. Title III requires that a school district generate a minimum of \$10,000 in order to be eligible to access the funds. Districts that do not meet the threshold may form a consortium to reach the \$10,000 requirement in order to apply for funding. In the last two years Minnesota districts had to have approximately 115 LEP students to be eligible for Title III funds.

Title III requires that the funds be used to:

- a) Increase the English proficiency of LEP students by providing high-quality language instruction educational programs
- b) Provide high-quality professional development to LEP and non-LEP staff, that are effective based on scientific research. Authorized activities under this program include the following:
  - Upgrading program objectives and effective instruction strategies.

- Improving the instruction program for LEP students by identifying, acquiring, and upgrading curricula, instruction materials, educational software, and assessment procedures
- Providing tutorials and academic or vocational education and intensified instruction.
- Developing and implementing elementary or secondary language instruction educational programs that are coordinated with other relevant programs and services.
- Improving the English proficiency and academic achievement of LEP students.
- Providing community participation programs, family literacy services, and parent outreach and training activities to LEP students and their families to improve the English language skills of LEP students, and to assist parents in helping their children to improve their academic achievement and becoming active participants in the education of their children.
- Improving the instruction of LEP students by providing for the acquisition or development of educational technology or instructional materials; access to, or participation in, electronic networks for materials, training, and communication, and incorporation of such resources into curricula and programs such as those funded by this program.

## 2. Title I Funds

ELs are eligible on the same basis as all students to receive Title I services. Thus, districts serving ELs must carefully consider the allocation of Title I funds in meeting the needs of all students.

Key questions for consideration:

- *How many students* with limited English proficiency are being served through targeted and schoolwide title I programs?
- *How* are students with limited English proficiency being served through targeted and schoolwide title I programs?
- *How many title I teachers* in schools serving students with limited English proficiency are bilingual or have other specialized training in teaching these students?

## 3. Other Federal Funds

Districts must consider how monies received through Title II (High Quality Staff) and Title V (Innovative Programs) are being allocated to benefit all children.

## Minnesota Department of Education Contacts

Questions may be directed to:

	MARSS Reporting	<a href="mailto:MARSS@state.mn.us">MARSS@state.mn.us</a>
Bob Porter	LEP funding and projections	651-582-8851 <a href="mailto:bob.porter@state.mn.us">bob.porter@state.mn.us</a>

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Anh Tran	English Learner Education Specialist	651-582-8508 <a href="mailto:anh.tran@state.mn.us">anh.tran@state.mn.us</a>
Ruslana Westerlund	English Learner Education Specialist	651-582-8574 <a href="mailto:ruslana.westerlund@state.mn.us">ruslana.westerlund@state.mn.us</a>

## Related State and Federal Law

### Minnesota Law

**Statute 124D.59 Definitions** - <https://www.revisor.leg.state.mn.us/statutes/?id=124D.59>  
See Subd. 2 - Pupil of limited English proficiency,

**Statute 124D.65 Limited English Proficiency (LEP) Programs Aid** -  
<https://www.revisor.mn.gov/statutes/?id=124D.65&year=2010>

**Statute 126C.15 Basic Skills Revenue; Compensatory Education Revenue** -  
<https://www.revisor.mn.gov/statutes/?id=126C.15&year=2010>  
See Subdivision 1, (8).

**Statute 126C.05 Definition of Pupil Units** -  
<https://www.revisor.mn.gov/statutes/?id=126C.05&year=2010>  
See Subd. 3 Compensation revenue pupil units, Subd. 8 Average daily membership, Subd. 17 LEP pupil units.

### Federal Law

**Title III – Language Instruction for Limited English Proficient and Immigrant Children, Part A – English Language Acquisition, Language Enhancement, and Academic Achievement Act:**

Subpart 1 – Grants and Subgrants for English Language Acquisition and Language Enhancement - <http://www2.ed.gov/policy/elsec/leg/esea02/pg41.html>

- Sec. 3114. Within-State Allocations - <http://www2.ed.gov/policy/elsec/leg/esea02/pg41.html#sec3114>
- Sec. 3115. Subgrants to Eligible Entities - <http://www2.ed.gov/policy/elsec/leg/esea02/pg41.html#sec3115>
- Sec. 3116. Local Plans - <http://www2.ed.gov/policy/elsec/leg/esea02/pg41.html#sec3116>

**Title III – Language Instruction for Limited English Proficient and Immigrant Children,  
Part B – Improving Language Instruction Educational Programs:**

Subpart 1 – Program Development and Enhancement -

<http://www2.ed.gov/policy/elsec/leg/esea02/pg46.html>

- Sec. 3212. Program Enhancement Activities -  
<http://www2.ed.gov/policy/elsec/leg/esea02/pg46.html#sec3212>

Subpart 4 – Emergency Immigrant Education Program -

<http://www2.ed.gov/policy/elsec/leg/esea02/pg49.html>

- Sec. 3247. Uses of Funds -  
<http://www2.ed.gov/policy/elsec/leg/esea02/pg49.html#sec3247>