

State School Funding Policies and Limited English Proficient Students

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Abstract

This article presents an overview of state funding policies for serving Limited English Proficient (LEP) students and analysis of aid allocation practices across the states using data from the National Center for Education Statistics Common Core of Data. The major finding of this study is that state efforts to help local districts are often poorly conceived and/or applied, and often inadequate. We conclude with three policy recommendations for enhancing the present knowledge base, including the need for (a) expanded national, state, and local awareness of policies and practices across the states regarding limited English proficient (LEP) children, and improved monitoring of the effectiveness of those policies and practices toward achieving specific objectives; (b) empirically derived cost estimates of opportunities for LEP children; and (c) a set of frameworks for developing and adapting funding policies to various state contexts aimed toward achieving the goal of adequate services for LEP children.

Introduction

This article presents an overview of state school funding policies for serving Limited English Proficient (LEP) students and analysis of aid allocation practices across the states. The analyses combine information from various policy review sources and data from the National Center for Education Statistics Common Core of Data. The approach presented in this article tests the congruence of words and actions of policymakers when it comes to educating LEP children. That is, do actual aid allocations from states to local school districts reflect the “intent” of finance policies as written? Furthermore, do those aid allocations make sense with respect to student needs and district capacity to meet those needs? The analyses that follow consist of two parts, including (a) a review of funding policies, or policy inputs across the states, and (b) an exploration of the levels and patterns of aid distribution to local districts with respect to expected need and to local fiscal capacity measures.

Policy and Legal Framework

The impetus for much state policy and local district program expansion for LEP students was the implementation of Title VII of ESEA in 1967, the Bilingual Education Act.¹ Title VII provides funds to districts to create and supplement the operation of programs to meet the needs of LEP children. A few years later, in *Lau v. Nichols*, a case involving Chinese LEP students in San Francisco who had been placed in an English-only class, the U.S. Supreme Court ruled in favor of the plaintiffs on the basis that the English-only policy was discriminatory and in violation of the interpretation by Office of Civil Rights of Title VI of the Federal Civil Rights Act of 1964. The rights of LEP students were clarified in 1974 when Congress adopted the Equal Educational Opportunity Act (EEOA), which stated that “no state shall deny equal educational opportunity to an individual on account of his or her race, color, sex, or national origin, by . . . the failure by an educational agency to take appropriate action to overcome language barriers that impede equal participation by its students in its instructional programs.”

Imber and Van Geel (2000) note that, “Today federal policy has two legal underpinnings: Title VI as interpreted by the original OCR [Office of Civil Rights] memo and *Lau*, and the EEOA.” Subsequent case law that tests these underpinnings includes *Casteñeda v. Pickard*, in which the Fifth Circuit Court of Appeals found that it was necessary for a local school district to provide language remediation under EEOA (though no preference for a particular type of service was supported by EEOA) but that the district’s present bilingual offerings did not violate Title VI. A recent related U.S. Supreme Court case all but overturned much of the *Lau* decision, negating a private individual’s right to pursue action under interpretations or implementing regulations of Title VI. In short, *Alexander v. Sandoval* eliminated individuals’ rights to take action against unintentional discrimination. Protection under EEOA, however, remained intact.

Additional state level litigation has addressed the role of LEP students in the context of school funding policy. In 1983, the Washington State Supreme Court integrated the findings of the *Lau* decision into a school funding equity decision, noting that it was the state’s responsibility ensure that districts could provide services to LEP students. More recently, the State Supreme Court of Wyoming targeted the actual cost basis and rationality of its new state funding formula:

Similar issues are raised with the formula for supplemental funding of the costs incurred in educating Limited English Speaking (LES) students. When certain concentrations of these students occur in a district, extra resources, such as bilingual aides and teachers, are needed. Without any evidentiary support, Management Analysis and Planning Associates, Inc. (MAP) recommended additional funding where such students exceed 20 students per grade level or 25 percent of the schoolwide Average Daily Membership (ADM). Then, based

upon experience in Connecticut, the funding was proposed and adopted at 1.15 times the number of identified students or approximately \$900 per student. Given the lack of evidence that \$900 reflects the actual additional costs and the relatively small amount of funding likely to be required to cover those costs, actual reimbursement of identifiable, legitimate, state-approved costs, such as bilingual teachers, more appropriately meets the standard established in *Campbell*.

This detailed critique substantially raises the bar for consultants and policymakers for the design and implementation of funding policies for LEP students.

Cost of Services

While some state courts are placing increased emphasis on more rational, empirically justifiable funding formulas for achieving adequate services, studies of the costs of providing bilingual education have produced widely varying results, ranging from less than an extra 5% above basic education costs (Carpenter-Huffman & Samulon, 1981; González, 1996 in Odden & Picus, 2000, p. 214) to an extra 100% (Chambers & Parrish, 1983 in Odden & Picus, 2000, p. 214).² Parrish (1994) estimated the costs of serving LEP students under alternative instructional models in California. Using a “resource cost model” (RCM) approach, Parrish (1994) found the average total marginal cost of serving LEP students to be \$361 (marginal instructional cost equals \$186, administration and support cost equals \$175). Across four approaches to service delivery, marginal costs were approximately 18% above classroom costs, with classroom costs ranging from \$1,409 to \$1,978 per pupil, and total costs, including support for LEP students, ranging from \$1,756 to \$3,505 per pupil.

What is the Role of State Aid?

Programs for LEP students are funded primarily by three sources: local district general funds, state aid for LEP students, and Federal Title VII aid. Admittedly, funds for LEP programs are not always clearly delineated from other funds. Some states include LEP students among at-risk students and allocate compensatory aid, combined in some cases with federal Title I funds to serve LEP students as well as economically disadvantaged students. In the present study, we take on the task of addressing state funds specifically designated for LEP pupils. First, Federal Title VII aid, though important to a few select school districts with high concentrations of LEP students, is negligible. In 1995–96, approximately 112 school districts nationwide out of 15,842 (reporting in the Common Core of Data) received, on average, about \$260 per expected LEP pupil in direct federal aid for bilingual education. Furthermore, it was never the intent of Title VII to directly provide services for all LEP students nationwide. Rather, the objective was to serve as a stimulus for state and local districts to take action and as a program of experimentation.

The bulk of financial responsibility for complying with EEOA and *Lau* remains on states and local education agencies. As witnessed in over 30 years of finance equity litigation over general education funding, local education agencies alone have widely varied capacity to provide general education programs and services. State Supreme Courts in several states, referring to state constitutional education clauses, have placed the burden on state legislatures, with varying degrees of success, to resolve disparities across local districts. As previously mentioned, some states have gone so far as to note the state's responsibility for ensuring that local districts can comply with EEOA and *Lau* by providing appropriate financial resources. Nonetheless, in many states local education agencies continue to have varied ability to draw on their general funds to provide supplemental programs for students with special needs.

State aid for supplemental programs may be granted to local school districts under varied assumptions. First, the state may, in fact, be the primary or even sole source of public education funding. In such cases, state aid typically would be allocated with the intent to cover the full cost of providing services across all districts regardless of local capacity. Few states function under a full state funding, or fully state-regulated funding model. Often, the role of state aid is to equalize local districts' abilities to provide comparable levels of service, as with general fund equalization aid.

A growing concern regards the equity consequences of providing unequalized supplemental funds for special populations in conjunction with under-equalized or questionably adequate general funds. The Ohio Supreme Court recognized the equity implications of such an approach, noting, "Funds for handicapped students, for instance, whose education costs are substantially higher, are disbursed in a flat amount per unit. If the actual cost exceeds the funds received, wealthier districts are in a better position to make up the difference." The Ohio court's finding points out that it is possible that supplemental state aid allocations determined by absent consideration for the general aid formula may result in illogical or undesirable outcomes. In an analysis of ever-expanding categorical funding programs in California, Murphy and Picus (1996) note:

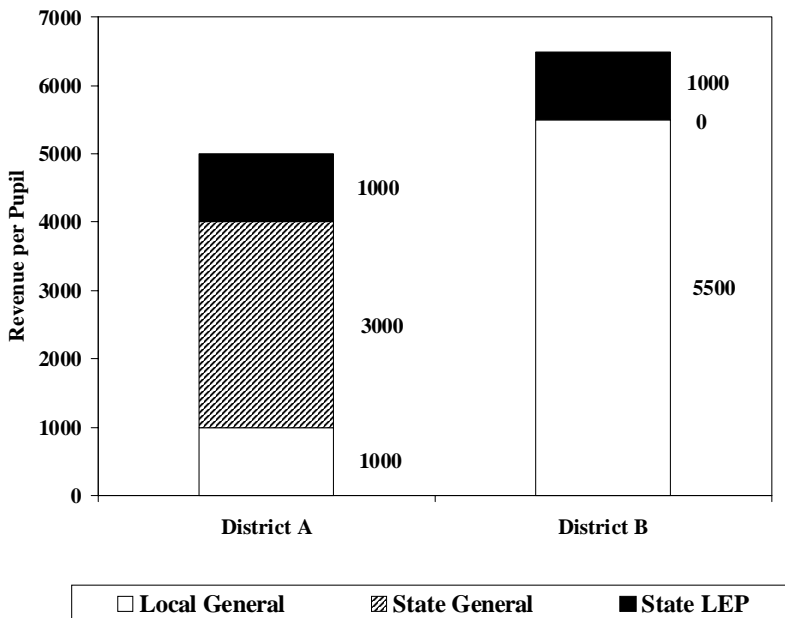
Encroachment in California varies in terms of both expenditures per pupil and in terms of the percentage of the general fund that the encroachment represents. As a result, this system could result in a loss of equity, potentially damaging the state's claim that it has achieved the level of equity demanded in the *Serrano* lawsuit. (p. 386)

This issue may be of particular concern to districts serving large numbers of LEP students, where standard socioeconomic correlates prevail. That is, in all likelihood, districts serving higher percentages of LEP students tend to have less local capacity to provide services for those students. If aid is provided for LEP programs in flat amounts per LEP pupil across districts, but at levels

insufficient to provide for services in full, those districts with the largest numbers of LEP pupils will have the greatest difficulty in finding the resources to provide adequate opportunities.

Figure 1 presents a simplified illustration of this problem, where district A is a poor local district, heavily reliant on state general fund aid, and district B is a much wealthier local district that receives no state aid. District A is able to raise only \$1,000 per pupil from local property taxes and receives \$3,000 per pupil in general fund aid from the state, for a general fund of \$4,000 per pupil. District B, on the other hand, raises \$5,500 per pupil from local sources alone. Let us assume each district has an LEP student and that the state allocates \$1,000 in supplemental aid per LEP student to supplement their general program. District A now has \$5,000 to provide both general and supplemental services for their LEP student, while district B has \$6,500. In all likelihood, if the \$5,500 in district A is insufficient the district will choose either not to serve, or under-serve the child in question, or be forced to draw on general funds that in theory are allocated to other pupils in that district. Now consider which district, A or B, is more likely to be affected by LEP pupils. Assuming socioeconomic correlates hold, and district B serves many more pupils, for each LEP pupil for whom the combination of local resources and supplemental aid are insufficient, an additional burden is placed on the district's already lagging general fund.

Figure 1. Example of state and local general and supplemental support



Methods

Overview of Policies

The first set of analyses herein involved compiling state policies for allocating aid to local districts for providing ancillary services to LEP students. Sources for the analyses include Gold, Smith, and Lawton's (1995) overview of state school finance programs for school year 1993–94 and Seilke's (2001) update of state school finance programs for school year 1998–99. Since states deal with LEP students in a variety of ways, information was drawn from specific sections on financing bilingual education programs, from information on general aid adjustments for LEP students and, in some cases, from information on compensatory and other special education programs.

Analysis of Aid Allocations: Common Core of Data

State aid analyses herein used data from the Common Core of Data (CCD), School Year 1995–96, provided by the National Center for Education Statistics (March 2000 edition). In 1995–96, districts in 13 states reported separate state aid allocations for bilingual education, or education of LEP students. Data on percentages of children who did not speak English very well (classified as speaking English "Not Well") were used to generate district and state level incidence of student need. Data on community characteristics, including median family income and on school fiscal capacity, such as core expenditures per pupil (COREXPP), were also used.

Three questions guided the empirical analyses of CCD data:

1. On average, how much state aid is being allocated to local districts for meeting the needs of LEP pupils?
2. What is the relationship between state aid allocations and prevalence of need?
3. What is the relationship between state aid allocations and measures of local fiscal capacity, including median family income, and available core expenditures per pupil?

To address the first question, estimates of average bilingual education aid per pupil were generated for each district across all states. Subsequently, the number of LEP pupils was estimated by multiplying "percent of children speaking English 'Not Well'" by district enrollments, and aid per expected need pupil was estimated by dividing bilingual education state aid by expected need pupils. To address the second question, state aid per enrolled (all) student was correlated with percentages of need pupils across all districts within each state.

Finally, each state's aid allocation practices were evaluated according to the following guidelines:

1. Adequate: Aid allocation per expected need pupil, as a percent of core expenditures, exceeds the minimum reported, though not necessarily empirically cost based, adequacy weight from existing literature (1.2 times, or 20% above basic education costs).

2. Rational: Aid allocation per pupil and total allocation significantly correlated ($p < .05$) with expected need. That is, where the percentage of students who do not speak English well is higher, the aid allocation per pupil should be higher, and where the total number of students who do not speak English well is higher, total aid allocations should be higher.
3. Equitable: Aid allocation per pupil significantly correlated in the expected direction ($p < .05$) with two of three context measures (median family income, core expenditures per pupil, and state revenue share).

Findings

Overview of Funding Policies

Nineteen states list no separate program of aid to local districts for serving LEP students, and a handful of states note that bilingual education is a responsibility of the federal government under Title VII. Other states note that it was a local obligation to maintain compliance with Title VII and with the *Lau* decisions. Potential needs in these states are addressed at a later point.

Among states providing aid to local districts to support programs for LEP students, four aid allocation methods dominate:

1. Pupil Weights: Pupil weights are multipliers used in general aid formulas. Supplemental aid, or the general aid adjustment, is determined by multiplying the base aid per pupil for a district times the pupil weight times the count of need pupils.

Base aid per pupil	=	\$3,000
LEP weight	=	.12
Aid per LEP pupil	=	.12 x \$3,000 = \$360
LEP pupils (or full-time equivalent)	=	20
Total LEP aid	=	20 x \$360 = \$7,200

Application of pupil weights may vary across states in a number of ways. First, base aid per pupil may either be constant, or vary across districts depending on the structure of the base aid formula. As such, aid per LEP pupil may vary. Second, the method for counting LEP pupils may vary. For example, a state may simply use the count of pupils requiring services, or may calculate numbers of full time equivalent pupils based on numbers of contact hours LEP pupils receive. The latter method substantially reduces pupil counts.

2. Flat Grants: Flat grants are simply a flat allocation of a certain number of dollars per LEP student. Flat grants are largely comparable to, and frequently mathematically indistinguishable from pupil weights. Flat grants may be favored over pupil weights by some state legislators in budget deliberations because they allow for increases to be made in base aid per pupil without affecting supplemental aid allocations (e.g., a flat grant can remain set at \$300 per LEP pupil).

3. Resource Based: Resource-based funding typically involves flat allocations of specific resources per pupil in need. For example, the state might guarantee the availability of one bilingual education teacher per 20 LEP pupils. The state might also pay a specific portion of materials, supplies, and equipment costs.
4. Percentage Reimbursement: Percentage reimbursement programs involve districts reporting budgeted expenses (or actual prior year expenses) for serving LEP pupils. States define which expenses are allowable (similar to a resource-based approach), and rates at which various expenses are to be reimbursed.

Table 1 summarizes policies in states using pupil weights in 1998–99. In that year, 13 states used pupil weights ranging from .06 in Arizona to .5 in New Mexico, with several states near the .2 weight commonly recommended in policy literature and partially validated by Parrish (1994). One may note that Florida dramatically reduced its weights for LEP students between 1993–94 and 1998–99, bringing them in line with the recommended standards and with other states, though not necessarily in line with cost estimates.

Table 1
States Using Pupil Weighting Programs in 1998–99

State	1993–94			1998–99		
	Formula Type	Allocation Basis	Limits	Formula Type	Allocation Basis	Limits
Alaska	Pupil weight .042 times need category			Pupil weight maximum weight	Moved into special education as .20	
Arizona	Pupil weight 6% per eligible pupil			Pupil weight 6% per eligible pupil		
Connecticut	Flat Grant	Budget constraint divided by eligible pupils	20 or more pupils	Pupil weight 10% per eligible pupil	20 or more pupils	
Florida	Grades 4–8 = 1.617, Grades 9–12 Pupil Weight = 1.454			Pupil weight 20.1% (1.201) per eligible pupil		

Sources: Gold, Smith, and Lawton, 1995, and Seilke, 2001. See also http://www.ncsl.org/programs/edc/ed_finance/intro.htm

Table 1 (cont.)

States Using Pupil Weighting Programs in 1998–99

State	1993–94			1998–99		
	Formula Type	Allocation Basis	Limits	Formula Type	Allocation Basis	Limits
Iowa	Pupil weight 19% per eligible pupil			Pupil weight 19% per eligible pupil		Three years
Kansas		20% per FTE eligible pupil (contact Pupil Weight hours)		Pupil weight 20% per FTE eligible pupil (contact hours)		
Nebraska				Pupil weight .25 x eligible pupil		
New Mexico	Pupil weight 50% per eligible pupil			Pupil weight 50% per eligible pupil		
New York	Pupil weight 15% per eligible pupil			Pupil weight 16% per eligible pupil		
Oklahoma	Pupil weight 25% per eligible pupil			Pupil weight 25% per eligible pupil		
Oregon				Pupil weight .5 per eligible student		
Texas	Pupil weight 10% per eligible pupil			Pupil weight 10% per eligible pupil		
Vermont				Pupil weight 20% per eligible pupil		

Sources: Gold, Smith, and Lawton, 1995, and Seilke, 2001. See also http://www.ncsl.org/programs/edc/ed_finance/intro.htm

Table 2

States Using Flat Grant Allocations in 1998–99

State	1993–94			1998–99		
	Formula Type	Allocation Basis	Limits	Formula Type	Allocation Basis	Limits
Colorado	Pupil weight	Greater of .2 weight or \$400 flat grant	Two years	Flat grant	\$400 per eligible LEP pupil, \$200 per bilingual	Two years
Georgia	Percentage reimbursement	Allowable costs		Flat grant	\$854 per itinerant segment (1/6 day) and \$641 non-itinerant	
Maryland	Flat grant	\$500 per eligible pupil		Flat grant	\$1,350 per eligible pupil	Two years
Michigan	Flat grant	Budget constraint divided by eligible pupils		Flat grant	Eligible pupil	
New Jersey	Pupil weight	.18 (\$1,302) per eligible pupil		Flat grant	\$1,102 per eligible pupil	
North Dakota				Flat grant	\$300 per eligible student	
Rhode Island	Resource based	Allowable costs		Flat grant	Not reported	
Washington	Percentage reimbursement			Flat grant	\$664 per eligible pupil	

Sources: Gold, Smith, and Lawton, 1995, and Seilke, 2001. See also http://www.ncsl.org/programs/edc/ed_finance/intro.htm

Table 2 indicates that eight states used flat grant funding in 1998–99. Those flat grants ranged from \$300 per pupil in North Dakota to over \$1,300 per pupil in Maryland. North Dakota had not previously provided aid for LEP pupils. Note that New Jersey shifted from pupil weight yielding approximately

\$1,302 in 1993–94 to flat grant of \$1,102 in 1998–99. Washington’s move from percentage reimbursement to a flat grant might also be considered a move to contain costs. An important issue raised explicitly in Connecticut and Michigan is that of how flat grant levels are determined within the political arena. Michigan and Connecticut state governments indicate that LEP aid, levels are simply a function of state funds available for LEP aid, divided by the number of pupils that need that aid, with both numerator and denominator fluctuating on an annual basis.

In 1998–99, three states (Illinois, Maine, and Wisconsin) used some form of percentage reimbursement program and three other states (Minnesota, North Carolina, and Virginia) used a resource-based approach to funding services for LEP children (Table 3 and Table 4). Percentage reimbursement programs were provided on the basis of allowable costs, and resource-based programs primarily on the allocation of personnel. It is important to note that like flat grants, whereby the level of the grant is determined by available funds, reimbursement rates are also commonly determined by available funding, despite written policies indicating 100% reimbursement of allowable costs.

Table 3

States Using Percentage Reimbursement Programs in 1998–99

State	1993–94			EQ	1998–99			EQ
	Formula Type	Allocation Basis	Limits		Formula Type	Allocation Basis	Limits	
Illinois	Percentage reimbursement	Allowable costs	Transition services > 20 pupils		Percentage reimbursement	Allowable costs	Transition services > 20 pupils	
Maine					Percentage reimbursement	Allowable costs (adjusted by budget constraint)		Yes
Wisconsin	Percentage reimbursement	Prior year costs (33%) in 1993–94)	Min 10 K–3 or 20 4–12 LEP	Non-reimbursed costs eligible for general aid	Percentage reimbursement	Prior year costs (21% in 1998–99)		Non-reimbursed costs eligible for general aid

Sources: Gold, Smith, and Lawton, 1995, and Seilke, 2001. See also http://www.ncsl.org/programs/edc/ed_finance/intro.htm

Table 4

States Using Resource-Based Formulas in 1998–99

State	1993–94		EQ	1998–99		EQ
	Formula Type	Allocation Basis		Formula Type	Allocation Basis	
Minnesota	Resource-based	Lesser of 55.2% salary or \$15,320		Resource-based	68% LEP teacher per 40 LEP pupils + 47% supplies and equipment	
North Carolina				Resource-based	Eligible schools receive base of \$9,400 for 1/2 teacher assistant + funds per LEP pupil + funds for LEP concentration	
Virginia	Resource-based	9 instructional positions per 1000 eligible students (cost share)	Cost sharing based on local capacity index	Resource-based	9 instructional positions per 1000 eligible students (cost share)	Cost sharing based on local capacity index

Sources: Gold, Smith, and Lawton, 1995, and Seilke, 2001. See also http://www.ncsl.org/programs/edc/ed_finance/intro.htm

Additional methods are also employed by states for constraining budgets beyond flexibly adapting reimbursement rates, flat grant levels, or pupil weights. One method is to constrain the numbers of pupils repeatedly classified for LEP aid. Colorado and Maryland, for example, allow a student to be counted for LEP aid for up to, but not more than two years. Rather than limiting the number of years over which a student can be counted, Georgia limits the number of segments of service for which a student receives state aid. Note that this does not necessarily mean that the student cannot receive additional service, but that the additional service comes at full cost to the local district. Wisconsin places lower limits on districts eligible to participate in the state aid program (refer to “Limits” columns, Tables 1 through 4).

A final question regarding state policies is whether they are explicitly designed to equalize district level capacity to purchase resources. That is, does the state formula provide aid on some sliding scale basis according to local wealth measures? Such provisions are explicitly noted in three state policies (Virginia, Maine, and Wisconsin; see equalized [“EQ”] columns in Table 3 and Table 4). Flat grant or pupil weight allocations are not explicitly equalized. A pupil weight is partially equalized when the weight is used to determine a district’s base aid, or foundation level, where foundation aid is allocated on a cost-sharing basis. Under these circumstances, the state and district share the cost of base aid and all weights attached to that base. However, districts are often allowed to raise additional local funds on top of their base aid, using primarily local revenues. Pupil weights are not adjusted for these differences, which create differences in districts’ ability to supplement insufficient pupil weights. Percentage reimbursement programs may be set to a sliding scale according to district capacity. This is the case for both the Wisconsin and Virginia programs, where the Virginia program shares the cost of purchasing personnel with the local district at a rate adjusted by a district composite index of ability to pay.

Analysis of State Aid Allocations

Table 5 displays the mean state aid allocations per pupil (all enrolled pupils) and per expected LEP pupil. Aid allocations per pupil range from zero dollars in Kansas and Massachusetts to \$38.66 in Florida (note that this allocation is under the previously higher Florida pupil weight). Aid allocations per expected LEP pupil range from zero dollars or \$1 in Kansas, Massachusetts and New Mexico to over \$3,600 per expected need pupil in Florida. The extremely low aid level in Kansas, despite a pupil weight of .2, is presumed to result from under-utilization of the program, either by under-identification of students in need, or because of low numbers of contact hours provided by local districts.

Table 5

Correlations Between Aid Allocations in 1995–96 and Local District Need and Capacity Measures

Correlations of State Aid per LEP Pupil							
State	LEP Aid per Pupil	LEP Aid per Expected LEP Pupil	% of Core Expenditures per Pupil	With Expected Need (+/-)	With Median Family Income	With Core Expenditures	With State Dependence
Connecticut	\$0.94	\$120	2.30%	0.81***	-0.33***	0.13*	0.30***
Florida	\$38.64	\$3,647	129.60%	0.74***	0.20	0.22*	-0.11
Illinois	\$8.03	\$1,199	40.50%	0.61***	0.17***	0.29***	0.30***
Kansas	\$0.00	\$1	0.00%	0.00	0.32***	0.06	-0.11*
Maryland	\$4.63	\$607	16.20%	0.76***	0.43**	0.73***	-0.40*
Massachusetts	\$0.00	\$0	0.00%	0.11*	-0.05	-0.01	0.02
Minnesota	\$6.98	\$1,745	52.90%	-0.01	-0.14**	0.27***	0.02
New Jersey	\$24.83	\$1,435	26.20%	0.90***	-0.38***	0.12***	0.12***
New Mexico	\$0.03	\$1	0.00%	-0.09	0.78***	0.15	-0.24
North Carolina	\$5.20	\$634	20.80%	0.03	-0.20**	0.11	0.18**
Texas	\$14.63	\$644	18.20%	0.63***	-0.29***	0.08***	0.09***
Washington	\$27.65	\$1,553	41.80%	0.26***	-0.14**	0.09	0.06

Sources: Gold, Smith, and Lawton, 1995, and Seilke, 2001. See also http://www.ncsl.org/programs/edc/ed_finance/intro.htm

The third column of Table 5 presents the LEP aid per expected LEP pupil as a percent of the core expenditures per pupil for districts in each state. These are the “effective weights” of aid allocation for comparison with both the espoused rates in state policies and the actual marginal costs (costs above core educational costs) of educating LEP students. Note that six states (Washington, New Jersey, North Carolina, Minnesota, Illinois, and Florida) exceed the standard recommended marginal cost of 20% and two others, Maryland and Texas, fall slightly short. Again, we caution that the *standard recommended* marginal cost might not be truly adequate.

Additional columns in Table 5 address the “rationality” of aid allocation formulas with respect to expected need. The first of these columns correlates aid allocations per pupil and expected need pupils across districts within each state. Assuming “rational” allocation of aid, correlations are all expected to be positive, significant, and strong. That is, districts with more expected LEP pupils should be receiving more aid per enrolled pupil. Most states conform to this expectation, with Connecticut, Florida, Illinois, Maryland, New Jersey, and Texas providing the clearest examples. However, a few states reveal conflicting patterns. Other states, including Kansas, Minnesota, New Mexico, and North Carolina violate the basic assumption of rationality. That is, despite apparently logical aid allocations written in state policy, these states fail to systematically allocate more aid for LEP children to districts where more LEP children reside.

The next three columns of Table 5 present the correlations between LEP state aid and contextual measures of local fiscal capacity. One expectation was that, in general, state aid would be allocated at higher levels in districts with lower median family income (negative, significant coefficient). This expectation is held for two reasons. First, prevalence of student need was generally assumed to be greater in lower income communities. Second, lower income communities generally have less local capacity or personal capacity to provide programs locally or seek private remedial opportunities. Similarly, it was expected that more aid, on average, would be allocated to districts with lower core expenditures per pupil, or that there would be fewer general funds from which to draw to supplement the state aid. However, this may not always be the case, especially where the state has already played a substantial role in equalizing core expenditures per pupil. Thus, it is necessary to simultaneously view the relationship between LEP aid and general dependence on state revenue. Thus, where correlations between LEP aid and core expenditures were positive (districts receiving more LEP aid have access to more general funds), correlations between LEP aid and state revenue percent were also expected to be positive (the reason why the district has more general funds is not due to its own local capacity, but due to other state aid).

Six states conform to the equalizing expectation of allocating more LEP aid to districts of lower median family income (Connecticut, Minnesota, North Carolina, New Jersey, Texas, and Washington), but five states allocate more aid to districts of higher median family income (Illinois, Kansas, Maryland, and New Mexico). It is conceivable that this latter finding is a result of higher median family income levels occurring in more urban areas, coinciding with higher percentages of LEP children. Among the six states allocating more aid to lower income districts, Connecticut, New Jersey, and Texas possessed reasonably coherent and complete sets of correlations. In case of these states, more aid was allocated to districts with higher core expenditures per pupil, but in each case more aid was also allocated to districts generally more dependent

on state aid. Maryland and Kansas present less reasonable conditions. In Maryland, more aid was allocated to higher income districts with higher core expenditures per pupil that were less dependent on state aid in general.

States With No Aid Program

Table 6 displays summary data on states reporting that they provide no supplemental aid for programs aimed at LEP pupils. Presuming generally negligible federal intervention, this means that the burden of providing services is primarily placed on the local school district. Note that each state does at least have some expected need population, and many of these states have districts with LEP populations exceeding 10% of total enrollment. Total numbers of LEP students in these states range from the hundreds to nearly 15,000 in Pennsylvania. Average adjusted current expenditures per pupil (1997) are also reported. Regionally cost-adjusted data are used to account for the possibility that LEP students are concentrated in higher cost metropolitan areas where unadjusted expenditures may appear higher, but may actually purchase fewer resources. The first set of values represents the statewide average for all children and the second set of values represents the average current expenditures allocated per limited English proficient child. In three states (Indiana, Pennsylvania, and Wyoming), current expenditures available to LEP students are less than those available to the population on average. Note that, theoretically, for a district to achieve adequacy for its LEP students it must be able to provide approximately 120% of the basic cost. Presuming statewide mean expenditures reflect that basic cost, districts in these states, on average, fall more than 20% short of adequacy to begin with, and still must find supplemental resources within their own budgets in order to comply with *Lau* and EEOA. Several states (Ohio, South Dakota, Montana, South Carolina, and Mississippi) report higher than average expenditures in schools serving LEP students. Only in Montana are mean current expenditures allocated to schools serving LEP students substantially, but still not 20% higher than mean current expenditures allocated statewide.

Table 6

States With No Aid Program for Limited English Proficient Students

State	Adjusted Current Expenditures per Pupil (by all pupils) (a)		Adjusted Current Expenditures (by LEP pupils) (b)		Percent Speaking English "Not Well" (c)		
	Mean	SD	Mean	SD	Mean	Max	Total Number
Indiana	\$6,365	\$734	\$6,352	\$719	0.59%	11.4%	5,798
Ohio	\$5,575	\$861	\$5,776	\$816	0.58%	14.9%	11,843
South Dakota	\$5,478	\$1,018	\$5,498	\$1,124	0.57%	14.4%	458
Pennsylvania	\$6,296	\$929	\$6,181	\$841	0.56%	6.9%	14,794
Montana	\$6,001	\$1,952	\$7,030	\$2,793	0.51%	28.1%	636
Wyoming	\$6,558	\$1,343	\$6,367	\$1,059	0.49%	2.2%	510
South Carolina	\$5,594	\$601	\$5,640	\$603	0.42%	4.0%	2,771
Mississippi	\$4,619	\$559	\$4,808	\$465	0.37%	2.0%	1,686

(a) Expenditures adjusting by Chambers' regional Cost of Education Index (CEI 1993–1994); 1997 adjusted current expenditure data from Common Core of Data.

(b) Derived by multiplying percent speaking English "not well" times enrollment.

(c) 1995–96 Common Core of Data.

Summary

Table 7 summarizes the policies across the 12 states reporting LEP state aid in the Common Core of Data according to the guidelines for adequacy, rationality, and equity set forth in the methods section (noted under table). A conservative standard was applied to making equity determinations. A state's allocation patterns were deemed directly equalizing (Equitable = Y) if that state allocated more money to lower income, higher state dependent districts or lower core expenditure districts, where two of three significant correlations would suffice. A state could also be considered equitable, or at least not directly inequitable, if allocations were unrelated to capacity measures, and if that state's general instructional expenditures per pupil were highly equitable ($CV^3 < .10$), potentially resolving unbalanced encroachment issues discussed earlier. An asterisk is placed by the two states, North Carolina and Washington, reporting general fund variance within "acceptable" ranges ($CV < 10\%$). A

state was only labeled directly inequitable (N) if the state systematically allocated more funds to higher income, higher core expenditure, and lower state dependent (thus, more locally autonomous) districts, with two of three correlations significant ($p < .05$).

Table 7

Evaluation of LEP Aid Policies (Based on CCD)

State	Adequate	Rational	Equitable
Connecticut	N	Y	Y
Florida	Y	Y	?
Illinois	Y	?	?
Kansas	N	?	?
Massachusetts	N	?	?
Maryland	N	Y	N
Minnesota	Y	?	?
North Carolina	Y	?	Y
New Jersey	Y	Y	Y
New Mexico	N	>	?
Texas	N	Y	Y
Washington	Y	Y	?
% Yes	50%	50%	33%
% No	40%	0%	8%

Note. * Signifies states with generally equitable core expenditures per pupil as measured by coefficient of variation $< .10$ (Hussar & Sonnenberg, 1999).

Adequate: Aid allocation per expected need pupil as a percent of core expenditures exceeds minimum reported, though not necessarily empirically cost based, adequacy weight from existing literature (1.2).

Rational: Aid allocation per pupil and total allocation significantly correlated ($p < .05$) with expected need. That is, where percent of students who do not speak English well is higher, the aid allocation per pupil should be higher, and where total numbers of students who do not speak English well is higher, total aid allocations should be higher.

Equitable: Aid allocation per pupil significantly correlated in the expected direction ($p < .05$) with two of three context measures (median family income, core expenditures per pupil, state revenue share).

Half of the reporting states indicate aid allocations that may be adequate, according to some existing empirical analyses of costs. Half of the states also report aid allocations that are “rational,” where rationality as defined herein should be a given. Only one-third of states report equitable funding and only New Jersey and Florida meet all three criteria. Interestingly, as discussed previously, both New Jersey and Florida subsequently reduced, or at least placed constraints on state aid for LEP pupils.

Conclusions

The major finding of this study is that state efforts to help local districts provide adequate programming opportunities for LEP children are often poorly conceived or applied, and are often inadequate. Furthermore, states presuming that federal Title VII assistance and other small-scale federal interventions are able to pick up the slack are sadly misinformed. Low income school districts with a sizable LEP student population are unlikely to be able to meet the needs of the students in states that assume no responsibility for funding this student population. Moreover, states that maintain LEP funding policies that are neither rational nor equitable seem highly unlikely to give adequate help to local districts in need of services without recognizing the incongruity of their current LEP student funding policies.

Policy Recommendations

Present state school funding policies for meeting the needs of LEP students are idiosyncratic at best. Yet the lack of analyses of present policies and dearth of available information on alternative policies makes it difficult to place blame entirely on state policymakers. There are at least three critical need areas in which the knowledge base must be enhanced for substantial progress to be made across states:

1. Expanded national, state, and local awareness of policies and practices across the states regarding LEP children, and improved monitoring of the effectiveness of those policies and practices toward achieving specific objectives
2. Empirically derived cost estimates of opportunities for LEP children
3. A set of frameworks for developing and adapting funding policies to various state contexts, and aimed at achieving the goal of adequate services for LEP children

This article attempts to fill some of the first void, but is still only a preliminary step. The next step beyond understanding the design of state school funding policies and allocation of resources is to begin to understand the extent to which state aid programs support local districts in providing both adequate and effective programs for serving LEP children. This broad objective encompasses the second critical need for a more comprehensive information

base on the costs of adequate and effective programs and services. While a body of literature does exist on the costs of alternative service delivery approaches, most such literature remains context specific, and, at this point, much of that literature has become dated. Furthermore, existing cost estimates fail to consider the effectiveness of service delivery options (Odden & Picus, 2000; Parrish, 1994). Education cost function research, which statistically estimates “the cost of achieving a given set of outcomes for a given mix of students,” may be a particularly valuable tool for filling this void (Alexander et al., 2000; Duncombe & Yinger, 1999).

It is unlikely that there will be a one-size-fits-all policy solution to any school funding problem faced by state legislators. The fact remains that equity in school funding is primarily a collaborative effort of states and local districts, and a state constitutional responsibility of the state legislature. It is critically important that legislators, policy analysts, consultants, and advocates begin to better understand that supplemental aid programs are inextricably linked to their underlying general aid programs. Where a state defines and directly funds both an adequate general education for “average” pupils and supplemental education for LEP and special education pupils, uniform or “unequalized” allocations of state aid may be reasonable in that no district is inappropriately advantaged or disadvantaged by their ability to supplement the state aid. Such conditions, however, are practically unlikely, and while theoretically appealing, there may be other dangers to fully state controlled, fixed price public education systems. At least in the near term, local capacity differences will continue to drive general education revenue disparities in most states. Therefore, it is vital for equity objectives that those states take appropriate steps to equalize aid for supplemental programs based on capacity.

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Endnotes

¹ Title VII is now Title III, Language Instruction for Limited English Proficient and Immigrant Students.

² The percent above basic education costs is typically measured as instructional expenditures per pupil for regular education pupils.

³ CV is an abbreviation for “coefficient of variation,” or the standard deviation divided by the mean (standard deviation expressed as a percent of the mean).