

**STATE BOARD OF EDUCATION – ADMINISTRATIVE RULE SUMMARY**

**Title/OAR #:** First Reading—English Language Learner Revenue and Expenditure Report Criteria

**Date:** December 10, 2015

**Staff/Office:** Mike Wiltfong, School Finance, ODE; David Bautista, Equity, ODE

**New Rule**       **Amend Existing Rule**       **Repeal Rule**

**Hearing Date:** \_\_\_\_\_  **Hearings Officer Report Attached**

**Prompted by:**  **State law changes**     **Federal law changes**     **Other**

**Action Requested:**

**First Reading/Second Reading Agenda**       **Adoption**       **Adoption/Consent**

**PROPOSED/AMENDED RULE SUMMARY:**

Per HB 3499(2015), the Legislature directed the Department of Education to convene an advisory group to develop uniform budget coding requirements and uniform reporting requirements to provide budget transparency for the spending of moneys received by school districts as provided by ORS327.013 (1)(c)(A)(ii) for students in average daily membership eligible for and enrolled in an English Language Learner programs. This new rule establishes the criteria for this new transparency report.

**BACKGROUND:**

Oregon K-12 Public Schools are funded through a combination of local revenues and money appropriated by the legislature. The Oregon Department of Education (ODE) first totals all available funding for school districts and then distributes the money appropriated by the legislature to school districts—not individual schools—through the State School Fund Formula (Formula). The Formula’s goal is to equalize funding across the state. The Formula achieves this goal by dividing the total revenue available by the number of weights in the state to get a funding per weight amount. The weights are often expressed as “ADMw” which means Average Daily Membership Weighted. Each district counts the number of ADMw it has and multiplies that by the per ADMw amount to determine how much funding it will receive under the Formula. The average statewide funding per ADMw is \$6,970 for the 2015-16 school year as of October 2015.

The legislature uses ADMw for funding rather than students for two reasons. First, the legislature wanted to equalize funding across the state. Some students do not attend school full time and so their part time attendance needs to be taken into account. A per student formula would over-fund part-time programs. Secondly, some students take more resources to educate. Example of the types of students who may take additional resources are students on an Individualized Education Plan (IEP), students living in poverty, or

students enrolled in a qualifying ESL program. The legislature assigns additional ADMw for these students so that districts receive additional funds for those students under the Formula.

Currently, under the distribution formula for the State School Fund, students designated as belonging to English Language Learning category receive an additional 0.5 weight, for a total ADMw of 1.5. Within the broad category of ELL programs, there is no specific restriction, and limited reporting, around how this money may be spent.

House Bill 3499 updates and enhances ELL programs policy by: creating a work group to address challenges to coding and budget transparency; creating a work group to examine ELL program challenges and best practices; increasing financial support for districts not meeting objectives and the needs of ELL students; and increased tracking and reporting around ELL program moneys.

**ISSUES/CONCERNS THAT SURFACED DURING RULE WORK:**

This proposal was developed in a collaborative effort of an advisory group, which included business managers, superintendents, legislative stakeholders, and community members.

The primary concerns derived from a state-wide survey of school districts is the timing of the request after the school year has started and anticipated training for reporting requirements. These issues can be addressed with upcoming communications and trainings moving forward.

There was one member of the advisory group that could not participate in the initial meeting and is now asking that the advisory group meet again to address her concerns, even though there hasn't been any interest expressed by other members of the advisory group when polled. I will be convening the advisory group December 9, 2015, to facilitate this discussion to make sure everyone in the group has had their chance to be heard.

**CHANGED SINCE LAST BOARD MEETING?**

- N/A; first read—hasn't been before board
- No; same as last month
- Yes - As follows:

**FISCAL IMPACT:**

The revised rules will have a minimal impact on ODE as it will simply be a matter of communicating the proposed changes to the school districts and the work to compile the data for the report.

**EFFECT OF YES VOTE:** If the Board approves this rule, the Department would be complying with the Legislature and their request for transparency reporting for ELL revenues and expenditures.

**EFFECT OF NO VOTE:** If the Board does not approve this rule, the Department and its advisory group will need to reconvene to discuss concerns of the State Board.

**581-023-0250 (New rule)**

**English Language Learner Revenue and Expenditure Report Criteria**

- (1) The following definitions apply to this rule:
  - a. “ELL Student” means students enrolled in English as a Second Language program under ORS 336.079 and OAR 581-023-0100.
  - b. “ELL Weight” means the additional weight calculated for ELL Students under ORS 327.013(1)(c)(A)(ii).
  - c. “General Purpose Grant per extended ADMw” means the General Purpose Grant as calculated in ORS 327.013 divided by extended ADMw as calculated in ORS 327.013.
  - d. “PBAM” means the Program Budget and Accounting Manual established by the Oregon Department of Education as the uniform budget and accounting system under ORS 327.511.
- (2) The Department of Education shall require school districts to report to the Department on an annual basis expenditures made by the districts to provide services to ELL Students.
- (3) School Districts shall report revenue received from the State School Fund for ELL Weights using the following requirements:
  - a. ELL weights will be based on the number of ELL weights as calculated through the final reconciliation per ORS 327.101
  - b. The General Purpose Grant per extended ADMw shall be based on the General Purpose Grant per extended ADMw as calculated through the final reconciliation per ORS 327.101.
- (4) School Districts shall report expenditures for ELL students using the following codes from the PBAM:
  - a. General Fund (Fund 100)
  - b. English Language Learner Programs (Function 1291)
  - c. Supplemental costs for ELL students and Limited English Proficiency Programs (Area of Responsibility 280 to be used with functions other than 1291)
- (5) The same fiscal year shall be used to report both expenditures and revenues under this rule.
- (6) The Department of Education shall post the previous year’s expenditures and revenues on the department’s website by July 31 of each year.
  - (a) ELL Revenues reporting shall be:

## 4.b

- (A) Reconciled State School Fund (SSF) weights for Average Daily Membership weighting (ADMw) received by school districts as provided by ORS 327.013 (1)(c)(A)(ii) for the school year in review
  - (B) The total ELL ADMw multiplied by the school district's reconciled SSF General Purpose Grant per Extended ADMw for the same school year in review
- (b) ELL Expenditure reporting shall:
- (A) Include only Fund 100 expenditures
  - (B) Include Function 1291 – English Language Learner Programs
  - (C) Include Area of Responsibility 280 – To be used with functions other than 1291 to identify supplemental costs for ELL and Limited English Proficiency programs
  - (D) Include all of the ELL expenditure reporting for the same year as the ELL revenue reporting
- (c) Report timeline
- (A) Department of Education's ELL Revenue and Expenditure Report shall be posted on ODE's website in July of each year. The supporting data used shall be for the preceding school year (E.g., the 2015-16 school year report would be compiled in July 2017)