

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1098
Appropriations

(Delegate R. Lewis, *et al.*)

Education - English Learners and Dual Language Immersion Programs -
Funding and Establishment (Multilingualism Is an Asset Act)

This bill alters State and local funding for public schools by altering two inputs for determining formula aid results: (1) the English learner per pupil amount, and (2) for certain schools, the count of English learners. The bill also establishes a Dual Language Immersion Program, intended to develop, fund, implement, scale up, and sustain the expansion of research-based dual language two-way immersion programs in the State. A Dual Language Immersion grant is established to carry out the purpose of the program. Beginning in fiscal 2025, the Governor must include \$10.0 million in the annual budget bill to the Maryland State Department of Education (MSDE) for program grants. **The bill takes effect July 1, 2023.**

Fiscal Summary

State Effect: State expenditures increase substantially. General fund expenditures increase by \$10.0 million annually beginning in FY 2025 to fund Dual Language Immersion grants. State formula aid may increase by as much as \$1.5 million in FY 2025, and potentially well over \$52.0 million by FY 2028; however, precise estimates cannot be made at this time. **This bill establishes a mandated appropriation and increases mandated appropriations beginning in FY 2025.**

Local Effect: Minimum county government appropriations to local boards of education increase substantially in some counties, including Baltimore City, beginning in FY 2025. Local boards receive increase State formula and categorical grant funding, as well as increased county government appropriations, as described below. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law/Bill Summary:

English Language Learner Funding

The State's three major targeted programs (compensatory education, English learner, and special education) use slightly different versions of the same funding formula. State funding levels for the programs are based on the number of relevant students enrolled in public schools in the fall of the prior year and per pupil funding levels, which are expressed as a percentage, or weight, of the per pupil foundation amount. The State has an overall share of 50% for all three programs, with more wealthy counties receiving lower State shares than less wealthy counties. Each program has a minimum 40% State share of the per pupil amount, regardless of local wealth.

The Bridge to Excellence in Public Schools Act (Chapter 288 of 2002) established a new formula for limited English proficiency funding based on the same adequacy study that informed the special education and compensatory education formulas. The Blueprint for Maryland's Future altered the English learner per pupil weight with respect to the per pupil foundation amount. Through fiscal 2024, this proportion is 100% of the per pupil foundation amount. This percentage increases to 102% in fiscal 2025 and then phases down to 85% by fiscal 2033, the last year of the phase-in.

The bill makes certain changes, that are assumed to be non-substantive, in the definition of "English learner enrollment," but also changes the definition such that if a school has at least 2 but less than 20 English learners, the count for that school is 20 under the bill. Further, if a school has an approved dual language immersion program, then English learner enrollment includes students participating in the program who are not English learners (and the count of English learners is the same as for other schools with at least 2 but less than 20 English learners).

The bill alters the per pupil weight for English learner funding. **Exhibit 1** compares per pupil weights under the bill to current law *before* applying additional factors that further increase the per pupil weight under the bill. The bill establishes six adjustment factors that are applied to these proposed weights. **Exhibit 2** shows these adjustment factors by category. If a student qualifies under more than one factor, then the English learner per pupil amount is adjusted for each of the relevant factors for that student. The bill provides clarifying examples of such instances.

"Native language ratio" means the number of different primary languages spoken at the homes of the English learners for each school, divided by the number of English learners in the school. "Student with limited or interrupted formal education" means a student who is an English learner and meets one of the following criteria: (1) is a migrant student; (2) is

a refugee; (3) is preliterate in the student’s native language; (4) has at least two years less schooling than the student’s peers; (5) has entered a school in the United States after grade seven; (6) has experienced limited or interrupted access to school for specified reasons, or (7) meets any additional criteria that MSDE identifies based on research.

Exhibit 1
English Learner Per Pupil Weight Increases under the Bill¹
Fiscal 2024-2033

<u>Fiscal Year</u>	<u>Current Law</u>	<u>Proposed</u>	<u>Point Difference</u>	<u>% Difference</u>
2024	100%	100%	0%	0.0%
2025	102%	102%	0%	0.0%
2026	98%	100%	2%	2.0%
2027	94%	100%	6%	6.4%
2028	92%	100%	8%	8.7%
2029	91%	100%	9%	9.9%
2030	89%	100%	11%	12.4%
2031	88%	100%	12%	13.6%
2032	86%	100%	14%	16.3%
2033	85%	100%	15%	17.6%

¹ The bill further alters per pupil rates depending on which of six different criteria apply to a given student.

Source: Department of Legislative Services

Exhibit 2
Additional English Learner Per Pupil Weight Adjustment Factors

1. Newcomer or Beginner English Learner	1.20
2. Intermediate English Learner	1.00
3. Advanced English Learner	0.80
4. Limited or Interrupted Formal Education	1.25
5. Native Language Ratio of 0.6 or Greater	1.05
6. Enrolled in a Dual Language Immersion Program	1.10

Source: Department of Legislative Services

For each school, the local board must distribute the minimum school funding amount for each of several major State aid programs, multiplied by the school enrollment for the applicable program. The bill alters the percentage that must go to the particular school from 75% to 100% for the English learner education program.

Dual Language Immersion Program and Grant

The program and related grants are established by the bill. MSDE must administer the program and must develop an application and selection process to award grants to local boards of education or schools. The bill specifies criteria, including specified professional development for school personnel and various plans related to a program, for MSDE to use in evaluating and approving programs, while allowing MSDE to develop additional criteria. The bill specifies required features of the application. A program may be established within a school or as a whole school. Program grants may be awarded on a multi-year basis.

MSDE may adopt regulations necessary to carrying out program provisions. Local boards that operate a program must annually report to MSDE; MSDE must annually compile the reports and report the compilation to the General Assembly.

State Expenditures:

State Formula Funding

State aid to public schools increases substantially beginning in fiscal 2025. The impact of the bill on State expenditures cannot be precisely estimated at this time. However, for reasons discussed below, State formula aid may increase by as much as \$1.5 million in fiscal 2025, and potentially well over \$52.0 million by fiscal 2028, and by over \$136.7 million by fiscal 2033 – the year of full phase-in for English learner per pupil amount changes.

The net effect of establishing adjustment factors shown in Exhibit 2 for the English learner per pupil amount, which begins in fiscal 2025, is difficult to project and will depend on the number of students who are included in one or more of the six adjustment factors – this includes the number of students to be included within a dual language immersion program. Anne Arundel County Public Schools (AACPS) advises that its current estimated ratios for the following categories are as follows: beginner (40%); intermediate (50%); and advanced (10%) English learners. While MSDE anticipates that the changes in weights across these three categories is likely to be largely offsetting, with a minimal impact on funding, if the AACPS ratios are typical of school systems statewide, the net impact of these provisions will amount to substantial increases in State expenditures (and related local appropriations).

The bill increases the enrollment count for English learner formula aid if a school has at least 2 but less than 20 English learners, the count for that school is 20 under the bill. *For illustrative purposes*, if a local public school system has numerous schools with one or no English learners, and numerous schools with 20 or more English learners, but otherwise has 5 schools with on average 5 English learners each, the enrollment count for that school system, for purposes of State and local aid, increases by 15 per school, or 60 overall. This same increase would be experienced by an otherwise similar school system with no schools with 20 or more English learners.

Data from the 2021-2022 school year indicate there are approximately 20 schools with between 19 and 10 English learners. The bill would add approximately 100 students to the formula aid English learners count, or approximately 5 students per school, for these schools alone. Given State expenditures under the bill of approximately \$4,625 per English learner in fiscal 2025 and \$5,200 in fiscal 2028, State expenditures for 100 additional students amount to approximately \$462,500 in fiscal 2025 and \$520,000 in fiscal 2028. The available data does not include English learner counts of schools with fewer than 10 English learners. Given that schools with between 2 and 9 English learners would realize additional counts of between 18 and 11 per school, or approximately 10 on average, *if* the number of these schools is also close to 100, State expenditures would be about double as for those with between 19 and 10 students, and thus the overall impact of this provision of the bill alone could amount to \$1.5 million or more in annual State expenditures.

For a school that has an approved dual language immersion program, English learner enrollment includes students participating in the program who are not English learners (and the count of English learners is the same as for other schools with at least 2 but less than 20 English learners). The effect of this provision will depend on the number of non-English learners in approved dual language immersion programs and cannot be estimated at this time. However, the impact will be equivalent on a per student count basis as those described above; \$4,625 per student in fiscal 2025 and \$5,200 per student in fiscal 2028.

Exhibit 3 shows the difference in the English learner per pupil dollar amounts associated with the change in weight percentages shown in Exhibit 1. Though the actual State funding impact under the bill will also depend upon further adjustments shown in Exhibit 2, as well as the increased counts discussed above, taken in isolation, these per pupil amount changes would increase English learner State aid by \$10.7 million Statewide in fiscal 2026 and by \$47.4 million in fiscal 2028 (and by \$111.4 million in fiscal 2033, the year of full phase-in of per pupil weight adjustments under current law).

Exhibit 3
Change to English Learner Per Pupil Amount¹

<u>Fiscal Year</u>	<u>Current Law</u>	<u>Bill</u>	<u>Difference</u>	<u>% Difference</u>
2024	\$8,642	\$8,642	\$0	0.0%
2025	\$8,965	\$8,965	\$0	0.0%
2026	\$9,041	\$9,226	\$185	2.0%
2027	\$9,148	\$9,732	\$584	6.4%
2028	\$9,327	\$10,138	\$811	8.7%
2029	\$9,613	\$10,564	\$951	9.9%
2030	\$9,794	\$11,004	\$1,210	12.4%
2031	\$10,069	\$11,442	\$1,373	13.6%
2032	\$10,232	\$11,898	\$1,666	16.3%
2033	\$10,510	\$12,365	\$1,855	17.6%

¹ The bill further alters per pupil rates depending on which of six different criteria apply to a given student.

Source: Department of Legislative Services

As a result of the increase in both the English learner count and the English learner per pupil amounts described above, the local share of the English learner program increases, which in turn increases State funding under the Education Effort Index program, which provides increased State funding with offsetting local share relief. Further, beginning in fiscal 2026, Guaranteed Tax Base State aid, which is based on relative local effort, also increases. (Local effort and local effort relief are discussed in further detail in the Local Revenues and Local Expenditures sections below.) The impact on Education Effort Index State expenditures in fiscal 2025 cannot be estimated at this time. However, accounting for additional Guaranteed Tax Base and Education Effort Index funding, the full impact of the per pupil amount changes shown in Exhibit 3 is closer to \$11.4 million in fiscal 2026, \$52.0 million in fiscal 2028, and \$136.7 million in fiscal 2033.

It is assumed that general funds will be used to cover increases under the Guaranteed Tax Base program, however the particular use of general funds and of the Blueprint for Maryland's Future Fund to cover State aid increases under the bill is not certain.

Dual Language Immersion Program and Grant

Beginning in fiscal 2025, \$10.0 million annually is provided to MSDE for program grants. MSDE assumes that a portion of this funding can be used for administrative costs. Thus,

total expenditures amount to an estimated \$10.0 million, including funding for one education program specialist tasked with administering grants and program evaluation. This estimate assumes that this position is filled at the beginning of fiscal 2025.

Positions	1.0
Salaries and Fringe Benefits	\$151,418
Dual Language Immersion Grants	<u>9,848,582</u>
Total FY 2025 State Expenditures	\$10,000,000

Local Revenues: Local public school systems benefit from increased State funding, in the form of increased State aid, as described above, as well as increased county government expenditures, described below. Also, statewide Dual Language Immersion grants for eligible public schools amount to approximately \$9.8 million annually.

Local Expenditures: County governments (including Baltimore City) must appropriate the greater of the combined local share of several aid programs, after certain local relief provisions are applied, or the per pupil maintenance of effort (MOE) result. Under the bill, several county governments will be required to increase their local appropriation to the local school system. In other jurisdictions, where the MOE result currently exceeds the local share amount under the bill, the local appropriation to the local school system will not be affected.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 882 (Senator M. Washington) - Rules.

Information Source(s): Baltimore City Public Schools; Anne Arundel County Public Schools; Maryland State Department of Education; Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - March 6, 2023
km/hlb

Analysis by: Scott P. Gates

Direct Inquiries to:
(410) 946-5510
(301) 970-5510