

BALLOT PROPOSITION #203
English Language Education for Children in Public Schools

Publicity Pamphlet Fiscal Impact Summary

Proposition 203 requires pupils who are “English learners” to be taught in English immersion classes during a temporary transition period. Under current law, school districts receive extra funding from the state for “English learners” without a specific time limit. Because the Proposition would limit the amount of time that pupils could remain eligible for additional state funding for “English learners,” the Proposition is expected to lead to state savings. The amount of the savings is difficult to predict in advance as it depends on the number of pupils who learn English more quickly in the immersion classes. In addition, it is unclear how federal law would affect the transfer of students out of the immersion classes. The maximum state savings would be as high as \$20.3 million in 2004 if all English learners become proficient in English within a year, although that outcome is unlikely.

An additional fiscal impact could occur if school districts had to revamp their curricula, staff assignments, and operating procedures in order to comply with the Proposition. Since it would alter neither the state funding formula for public schools nor laws that “cap” school district expenditures, any additional costs would require a reallocation of existing school district resources.

FISCAL YEAR				
	2001	2002	2003	2004

STATE EXPENDITURES

State General Fund	\$-0-	\$-0-	\$-0-	up to \$(20.3) million *
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* The savings depends on the number of students who learn English more quickly in immersion classes.

FISCAL ANALYSIS

Description

Proposition 203 requires pupils who are “English learners” to be taught in English immersion classes during a temporary transition period not normally intended to exceed 1 year. Once pupils have acquired a good working knowledge of English and are able to do regular schoolwork in English, they are required to be transferred to classrooms where students either are native English language speakers or already have acquired reasonable fluency in English (“English language mainstream classrooms”). The English immersion requirement could be waived for 1 year at a time with prior written informed consent of a parent or guardian. If a waiver is granted, the child would be taught English and other subjects through bilingual education techniques or other generally recognized methods permitted by law. Foreign language classes for children who already speak English would be unaffected, as would programs for physically or mentally impaired students.

Estimated Impact

It is difficult to estimate the savings exactly because we are uncertain as to how many pupils will quickly become proficient in English under the immersion classes. The maximum state savings would be as high as \$20.3 million in 2004 if all English learners become proficient in English within a year, although that outcome is unlikely. In addition, it is unclear how federal law would affect the transfer of students out of the immersion classes. The State of California has enacted a similar Proposition in 1998, but little evidence has been collected yet on its impact.

Analysis

Under current law, the state provides about \$172 per year in additional funding for each "Limited English Proficiency" (LEP) pupil in public schools. This funding is generated through a weight in the school district funding formula pursuant to A.R.S. § 15-943(2b). For FY 2004 (the first year the Proposition would likely have a fiscal impact), we estimate that the LEP weight would generate about \$23.9 million in additional funding based on an estimated statewide LEP student count of about 138,652 pupils (about 14% of the total K-12 student population).

The Proposition would likely result in a reduction in the statewide LEP count because it would limit the amount of time that individual LEP pupils could remain in English fluency classes. This is because it states that "children who are English Learners shall be educated through sheltered English immersion during a temporary transition period *not normally intended to exceed 1 year*" (emphasis added). Limiting LEP instruction to 1 year implies that LEP funding for individual students under the Proposition would be limited to 1 year as well. This is because of the requirement in A.R.S. § 15-901(B14) that LEP funding be provided only for pupils "who are enrolled in a program to promote English language proficiency."

It is difficult to estimate the savings exactly because we are uncertain as to how many pupils will quickly become proficient in English under the immersion classes. At a maximum, however, the savings are estimated to not exceed \$20.3 million, or 85% of the projected total FY 2004 LEP cost of \$23.9 million. This maximum estimate assumes 1) that all kindergartners would continue to be eligible for the LEP weight and 2) on average about 10% of LEP students at all other grade levels are new to the system and would require immersion training for at least one year.

We assume that FY 2004 is the first year with a fiscal impact from the Proposition because there would be no change in the state's total LEP count until FY 2003, even if the Proposition passes in November 2000 and the Arizona Department of Education (ADE) produces new guidelines for classifying LEP pupils in time for them to be implemented in FY 2002. This is because LEP funding typically is provided on a "prior year" pupil count basis. LEP funding for FY 2002, even under the Proposition, would be based on LEP pupil counts from FY 2001. LEP funding for FY 2003 would be based on the LEP pupil count in FY 2002, but that number would be the same under the Proposition as under current law because in the first year under the Proposition *all* students who would otherwise be in a traditional English fluency class would go into the one-year immersion classes and still qualify for the LEP weight. If the immersion classes reduce the number of pupils needing English training, the reduction would show up only in FY 2003, the year after the immersion classes are first implemented. A reduced LEP pupil count in FY 2003 would have a fiscal impact only in FY 2004 due to the one-year lag in the LEP weight.

The magnitude of the savings will depend on several factors. For example, the ADE guidelines will affect how many pupils are allowed to remain in English immersion classes after one year. In addition, it is difficult to predict how many parents or guardians will request more than 1 year of immersion classes.

It should be noted that California has not yet documented a decrease in its LEP student count under a similar proposition approved by their voters in June 1998. This is at least partially due to a 1 year delay in the release of revised guidelines for classifying LEP pupils by the California Department of Education (CDE). The CDE did not release revised guidelines until August 1999, so they were not implemented until the 1999-2000 school year (FY 2000). A reduction in the California statewide LEP count may have taken place during the 1999-2000 school year, but this will not be known until data for the year become available.

In addition, it is not clear how federal law would affect the implementation of the initiative. The Equal Educational Opportunities Act (20 USC 1703(f)) requires educational agencies to take "appropriate action to overcome language barriers that impede equal participation" by students in their education programs. An interpretive memo from the federal Office of Civil Rights says that where inability to speak and understand English excludes a child from "effective participation" in a school's education program, the school district must take "affirmative steps to rectify the language deficiency in order to open its instructional program to these students." Finally, the Fifth Circuit Court of Appeals has said that the effectiveness of a school district language program would be judged depending on:

- Whether the program is based on an educational theory recognized as sound by at least some experts in the field.
- Whether the program is reasonably calculated to implement the theory effectively.
- Whether the district evaluates its program and adjusts it where needed to ensure that language barriers are indeed being overcome.

Analysis (Continued)

If the immersion-class program is not considered an “appropriate action to overcome language barriers” or otherwise fails to meet these standards, the state may be prevented from transferring all pupils to regular school programs after only one year, thus reducing any savings.

Local Government Impact

We estimate that local taxpayers could save up to \$(406,000) statewide in FY 2004 under the Proposition in school districts that do not receive any K-12 formula funding from the state because of their strong local property tax bases (“zero-aid” districts). This is because those districts pay 100% of their K-12 formula costs, so a reduction in LEP costs under the Proposition would accrue to their local taxpayers rather than to the state General Fund. Zero-aid districts account for roughly 2% of statewide K-12 formula cost per year. As a result, the zero-aid district savings would be \$(406,000) if statewide savings were as high as \$(20.3) million.

An additional local impact could result if school districts had to revamp their curricula, staff assignments, and operating procedures under the Proposition. Since it does not alter either the K-12 equalization funding formula or laws that “cap” school district expenditures, however, those potential items would require a reallocation of existing resources but would not result in a net change in either school district revenues or expenditures.

7/14/00

A.R.S. § 19-123 requires the Joint Legislative Budget Committee Staff to prepare fiscal impact estimates for ballot initiative measures. This estimate was prepared by Steve Schimpp and Patrick Fearon (602-542-5491).