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Oscar Jimenez-Castellanos  
*Arizona State University*

Irina Okhremtchouk  
*Arizona State University*

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K-12 Categorical Entitlement Funding for English Language Learners in California: An Intradistrict Case Study

Oscar Jimenez-Castellanos and Irina Okhremtchouk

Oscar Jimenez-Castellanos is Assistant Professor in the Mary Lou Fulton Teachers College, Arizona State University, and a 2012-2013 Ford Post-Doctoral Fellow administered by the National Academies. He has published extensively in the area of Latino education as it relates to resource allocation and its impact on opportunity and outcomes.

Irina Okhremtchouk is Assistant Professor, Division of Teacher Preparation in the Mary Lou Fulton Teachers College at Arizona State University. Her research interests include language minority students, school organization, finance, and preservice teacher assessment practices. She has over 12 years of experience as a teacher, program coordinator, child advocate, and school board member.

The K-12 student population is becoming increasingly diverse in the United States. In particular, the number of English Language Learners (ELLs) rose from 4.7 million in 1980 to 11.2 million in 2009, more than doubling from 10% to 21% of the student population (U.S. Department of Education n.d.). At approximately 1.8 million, the state of California enrolls the highest number of ELL students in the nation (Aud et al. 2012, 152). Of great concern is the achievement gap between ELL students and their English-only counterparts, one which remains substantial in spite of categorical entitlement funding programs designed to offset academic challenges faced by this population (Hemphill and Vanneman 2011). As a result, the effective allocation and expenditure of categorical entitlement funds at the local level are of much interest to the educational finance community and the field of education as a whole.

In this study, we analyzed the allocation and expenditure of funds from two categorical entitlement programs—Title III, a federal program, and Economic Impact Aid (EIA), a California state aid program—to provide services for ELL students at the district and school levels using a case study approach.

Background

Districts with a high percentage of African American students, Latino students, and students from low socioeconomic backgrounds receive and spend more money than other districts, in part due to the availability of categorical resources targeted to these student populations (Loeb, Bryk and Hanushek 2007); yet the achievement gap between these groups of students and their white counterparts persists and is substantial, especially in urban districts (Hemphill and Vanneman 2011). As Rodriguez (2004) noted, after years of educational reforms and policy change, it is still exceedingly rare to find schools serving large concentrations of diverse student populations with high levels of academic achievement.
Given their targeted nature, categorical aid programs are designed to focus funding on specific populations and the challenges they face. Entitlement categorical programs differ from other categorical programs in that an apportionment under entitlement guidelines is based upon a set of specific qualifications or formulas defined in statute. Funding for entitlement categorical programs is generally stable, noncompetitive, and guaranteed in those cases where a local educational agency meets statutory guidelines. Currently, there are two entitlement categorical funding programs designed to serve English language learners in the state of California—Economic Impact Aid (EIA), which is state funded, and Title III, which is federally funded.

EIA is designed to provide supplemental services for ELLs and low socioeconomic status students from kindergarten through grade 12. More specifically, EIA is designed to support additional supplemental programs and services for ELL and state compensatory education (SCE) services for educationally disadvantaged students as determined by the local educational agency. EIA funds focus on ELL populations to promote proficiency in the English language as rapidly as possible and to support programs and activities to improve the overall academic achievement of ELL students (California Department of Education 2011a).

Title III is a federal categorical program that provides funds for supplemental services to limited English proficient (LEP) students and immigrant students. Its purpose is to ensure that all LEP students attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging state academic standards as all other students. To support this goal, the U.S. Department of Education allocates Title III funds to state educational agencies, such as the California Department of Education, to provide subgrants to eligible LEAs based on the number of LEP students enrolled (California Department of Education 2011b).

Methodology

Case study methodology was used in this study of three schools in one California school district (Yin 2003). Due to funding and time limitations, one elementary school, one middle school and one high school within the district were selected out of a total of eight elementary schools, two middle schools, three high schools, one continuation school, and one K-12 school. ELL students comprises 16% of enrollment. Over half (53%) are Spanish speaking. In addition, 11% of students speak Punjabi and 6% Filipino (6%), with 30% of ELL students declaring “other languages.” The three largest ethnic groups in the district are Latino (28%), African-American (25%) and white (23%), followed by Asian (13%) and Filipino (7%) students. Of the district’s student enrollment, 45% receive free or reduced-price meals. Of the three schools in this study, only the middle school was designated as Title I, given its high percentage of low income students.

The elementary school, located in a professional, middle-class neighborhood, enrolls 910 students and has a fairly new and well-maintained campus. (See Table 1.) Approximately one-third (34%) of students qualify for free or reduced-price meals. The ELL population at the school is 23%. The middle school, located in an up-and-coming neighborhood with new developments both residential (primarily apartment buildings) and commercial (small convenience stores and businesses), has 821 students, of which 58% receive free or reduced-price meals. Although the campus is only 5 years old, more than one-third of the classrooms are located in portable/temporary buildings, giving the campus a somewhat rundown appearance. Fifteen percent of the middle school students are identified as ELL. The high school campus serves 1,587 students. It is situated in an area with small food industry businesses with a supermarket across the street from the school on one side and an open park setting on the other. Over one-third (36%) of students receive free or reduced-price meals, and 9% are classified as ELL.
Overview of Allocation and Expenditure of EIA and Title III Funds

The total EIA and Title III allocations for the school district were $754,368 and $147,205, respectively, as reflected in both district reports of “actuals” and state financial apportionments reports. The three schools in this study received from the district a total of $161,868 or $329 per pupil in EIA funds for the fiscal year, but they spent only $76,044, a little more than half. (See Table 2.) Approximately 35%, or $56,174, of EIA funds remained at the district level. There was also available $31,184 in EIA funds carried over from the previous academic year. At the end of the fiscal year, $60,834, or approximately 38%, of total EIA funds (including carryover) remained unspent. Title III funds for the three schools were $46,740 or $95 per ELL. No Title III funds were distributed by the district to individual schools. In other words, no direct student supplemental services were funded with Title III funds.

District Analysis

The district used its portion of EIA funds to support, in part, salaries for two administrators and consulting services while Title III funds were spent on the salary for a district level support person and administration of the California English Language Development Test (CELDT). One administrative position partially funded with Title III funds was that of the Categorical Program Director, who oversees all categorical programs across the district including special education; gifted and talented education (GATE); English language development (ELD) and other supplemental programs/services for ELLs; homeless education; Title I program for low income students; music and physical education block grant; and six other incentive grants. The salary for Teacher on Special Assignment position was paid for with Title III funds. This position provides support services for the elementary sites and oversee CELDT testing practices across the district.

In the course of the interview with the Categorical Program Director, we asked him to explain how the district determined what portion of EIA and Title III funds was allocated to school sites. He responded that the superintendent’s cabinet met and determined what administrative expenditures at the district office these funds could support in order to:

...keep the system operational. Then the district office proceeds to determine how much it would take to fund other district driven expenditures such as district professional development for the ELD Lead Teachers, staff’s salaries who help ELD and ELL efforts at the district office, CELDT testing implementation, and consulting services.

He continued: “...[O]nce we have those figures, then we decide what portion of the funds we allocate to each school.
When asked to explain why all Title III funds remained at the district office, he replied: “…the total allocation [Title III] is quite insignificant and it’s only enough to supplement salaries of the district staff and CELDT efforts.”

When he was asked to explain supplemental services provided to ELLs, he replied:

We want to allow as much local control as possible. I mean we want the sites to decide how to spend categorical dollars we allocate to the sites. All principals go through debriefings and district seminars where they are informed about the funds and what are the allowable ways of spending these funds… whether they attend these seminars [although required] is hit and miss. I know this year only seven principals showed up and we have thirteen schools not counting some charter schools.

In view of responsibilities, the amount of entitlement aid kept at the district level to could arguably be substantiated by the notion that schools benefited from the investments that the district made. However, it should be noted that one-third of the EIA funds were spent on administrators both of whom have had very little oversight of the ELL programs district wide, and, one position, the teacher on special assignment, was not responsible for providing support at to secondary schools in the district. In addition, the consulting services did not represent direct investments in ELL services.

School Level Analysis

Next, we analyzed expenditures made by the three schools. Based on a review of purchase orders, we determined how much each school spent of their EIA funds. We also interviewed the principal at each site to clarify and better understand expenditures.

Table 3 | Economic Impact Aid (EIA) Carryover and Expenditure by School

<table>
<thead>
<tr>
<th>EIA Expenditure</th>
<th>Elementary ($)</th>
<th>Middle ($)</th>
<th>High ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carryover from Previous Year</td>
<td>15,303</td>
<td>15,881</td>
<td>0</td>
<td>31,184</td>
</tr>
<tr>
<td>Personnel Salary/Benefits</td>
<td>0</td>
<td>11,195</td>
<td>1,128</td>
<td>12,323</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>0</td>
<td>0</td>
<td>2,305</td>
<td>2,305</td>
</tr>
<tr>
<td>Books</td>
<td>0</td>
<td>4,158</td>
<td>8,068</td>
<td>12,226</td>
</tr>
<tr>
<td>Conferences</td>
<td>0</td>
<td>259</td>
<td>2,059</td>
<td>2,318</td>
</tr>
<tr>
<td>Test Preparation</td>
<td>46,327</td>
<td>0</td>
<td>0</td>
<td>46,327</td>
</tr>
<tr>
<td>Technology</td>
<td>0</td>
<td>545</td>
<td>0</td>
<td>545</td>
</tr>
<tr>
<td>Total Expended</td>
<td>46,327</td>
<td>16,157</td>
<td>13,560</td>
<td>76,044</td>
</tr>
<tr>
<td>End of Year Balance</td>
<td>20,199</td>
<td>20,406</td>
<td>20,229</td>
<td>60,834</td>
</tr>
<tr>
<td>Total Allocation</td>
<td>66,526</td>
<td>36,563</td>
<td>33,789</td>
<td>136,878</td>
</tr>
<tr>
<td>Total per ELL Student</td>
<td>317</td>
<td>261</td>
<td>238</td>
<td>272</td>
</tr>
<tr>
<td>Total Expended per ELL Student</td>
<td>221</td>
<td>116</td>
<td>96</td>
<td>144</td>
</tr>
</tbody>
</table>
of $11,195 paid for portions of salaries for an instructional assistant and an ELL program coordinator under “Personnel Salaries and Benefits.” Theirs was the only school in the study to invest in an ELL program coordinator to supervise, develop, and coordinate English language development efforts and programs at the school site. EIA funds of $4,158 were used to purchase supplemental materials consisting of dictionaries, encyclopedias, and ELL-friendly short story books under “Books.” The middle school spent $545 in EIA funds for technology programs to help students learn English and improve their writing skills. Finally, $259 were spent to support a mid-year, half-day collaboration workshop for five ELD and sheltered instruction content area teachers under “Conferences.” These funds helped provide substitute teacher relief. Still, at the end of the year, the school had an unspent balance of $20,406 in EIA funds. Of this, $15,881 represented unspent (carry over) funds from the previous year.

The principal started the interview stating that she receives very limited directive or assistance from the district office. As a result, at times it is “hard to figure out what we are supposed to do.” She added:

If I didn’t have my coordinator, who is on top of things, to oversee student scheduling, ELAC efforts, student reclassification, etc., I wouldn’t know what to do to be honest with you. But, I also know and according to your results… it seems that she missed the boat and I missed the boat, but I can tell you she works really hard. It is alarming to hear the results [study’s results] that we are not serving kids and at the same time knowing how hard my staff works… I really don’t know what to say, we are struggling. When the question regarding the carryover was asked, the principal shared that adjustments to the budget came in the middle of the school year when it was too late to make decisions regarding the best investments for the funds. She added:

Trust me, I am mad. I know my coordinator is mad and my school site council is unhappy. I want to spend the money on our ELL kids. I want to make sure that what we do here matters and our students are achieving. But, when the district tells you that the deadline to file POs [Purchase Orders] is March 31 and we are off for three weeks in March, it is impossible to get everyone together to solidify decisions… I am not trying to make excuses, what I am saying is perhaps we need to be better prepared for the mid-year budget adjustments… I don’t want one penny to go back to the district, not one penny, but they give us no choice.

When the ELL coordinator was asked about English learner advisory committee meetings, she stated:

The meetings always happen. They happen every month not five times a year. Four years ago, I only had two parents attend, and I was happy about that. It was hard to create a committee since there were way too few people in attendance, but I was happy to see them and talked to them the entire hour. Then, toward the end of the year, it was 10 parents, the following year 15. At one point we had 76 parents in attendance – at that point I wasn’t happy [jokingly] because I ran out of chairs and room for all those people. They all brought their kids, relatives and food so we had over 150 folks there, so I am sure we were in violation of fire department codes! My principal kept saying: we’ll get in trouble, we’ll get in trouble. I thought what the heck let it be, we are building community here…

The ELD Coordinator was well aware of EIA funding, “My whole program depends on it, of course I know what EIA is…” She further stated that the site tries very hard to invest the funds directly in students and involve as many ELL parents as possible in the decision-making process. The coordinator also shared that they applied for and received outside funding as well to support their technology efforts. The middle school was the only site in the district with a dedicated ELL computer lab and library. She continued, “…there is a lot of stigma attached to the EL label, so we make sure to provide as many extracurricular services as possible to our students.” She also stated, “every year about ten ELL students read their poetry on a local radio station…we make sure that their achievements count.” The coordinator pointed out that the reason for providing all the extra services was twofold: To raise achievement among ELLs and to make the students feel special. She noted: “Just like GATE kids do…We take them on field trips, they have computer privileges that no other student group has in the school or the district and our students get to do a lot of cool stuff like showcase their digital stories.”

High School Expenditures: Incoherent Approach? The high school spent $13,560 of EIA funds on personnel, office supplies, books, and conferences. Of that amount, $1,128 was spent on a yearly stipend for an English language development lead teacher. Traditionally, such teachers are responsible for: (1) ensuring that all qualified students are served; (2) reclassifying students; (3) coordinating community outreach efforts; and, (4) conducting regular ELAC meetings at the school site. EIA funds coded as “Office Supplies,” an expenditure of $2,305, were spent to purchase hanging folders, manila folders, “Post-it” notes, and copy paper for the front office. A total of $8,068 was spent on dictionaries and bilingual books for the school library ($1,711) and core textbooks for the English language development classroom ($6,357). Additionally, $2,059 was spent on conference travel expenses for both site personnel and parent participants.

The principal stated she believed EIA funds “…are pretty much for us to fill in gaps. In other words, we get whatever we need for the site.” She was not able to recall much about EIA expenditures during the interview. The English language development lead teacher did not know what EIA funds were when asked. Additionally, she stated, “…I know that somewhere these funds are available, but I don’t control the site funds. You asked about expenditures… I don’t know what to say because I don’t get to make decisions about that.” Of the three schools, only the high school did not start the year with carryover EIA funds. However, at the end of the year, $20,229 of the EIA site allocation remained unspent.
Conclusions and Recommendations

We set out to research entitlement categorical allocations and expenditures in three schools, selected at random, in a California school district. In this section we engage in a discussion of several salient issues that build on the results presented in the previous section.

The district allotted more EIA dollars per pupil for the lower grades compared to higher grades; that is, the elementary school received $317 per pupil while the middle school received $261, and the high school, $239. Normally, these funds would be allocated according to the level of ELL student poverty in the school. If so, we would have expected the middle school, which had the highest incidence of low income students at 58% to receive a higher per-pupil allocation than the elementary or middle schools, which had poverty levels of 34% and 36% respectively.

Only half of the entitlement categorical funds in this study was allocated to the school site. There do not appear to be clear guidelines from the state or federal level as to how these funds should be divided between the district and its schools. Equally disturbing is that all three school studied did not spend a significant portion of the allocation they received from the district. Two of the three schools also started the year with carryover funds, i.e., unspent funds from the previous year. Only the high school had spent its previous year’s allocation.

Entitlement categorical funds are designed to supplement spending on ELL programs and services. However, our research uncovered some instances where these funds were used for general purchases at the school level, i.e., categorical funds were used to supplant general funds. For example, the elementary school purchased school wide testing materials with EIA funds while the high school purchased “core” or general textbooks and office supplies for school’s front office. When the district’s categorical program director was asked about these purchases, he responded that he was “well aware of this practice...if it is an obvious misappropriation, he sends it back to the site, but mistakes do happen.” In some cases, he pointed out that the sites deal with a continuous pressure of producing results while having limited funds available to them, so site principals try to cut corners by making suggestions to their councils which “more often than not vote with the principal.” These findings provide additional information to help explain prior reports examining learning conditions for ELL students (Gándara, Maxwell-Jolly, and Rumberger 2008; Gándara and Moreno 1993; Rumberger and Gándara 2004).

Not all entitlement funds were spent during the course of the school year. The end of year EIA balance for each of the three schools studied was slightly more than $20,000 translating to 60% of EIA funds allocated to the high school, 55% of the middle school’s allocation, and 30% of the elementary school’s allocation. In per-pupil terms, the failure of schools to use their full allocation is even starker. The high school had available to its ELL students $238 per pupil but spent only $96. The middle school allocation provide for $261 per ELL student, but only $116 was spent. At the elementary school, which received the largest per ELL student allocation of $317, only $221 was spent. In sum, while the district may be questioned as to why it kept a substantial portion of entitlement funds, schools must also be held accountable for failing to take full advantage of their allocations to provide services for ELL students. The findings indicate that the district and schools could greatly improve their approach to allocating entitlement categorical funds and providing supplemental services.

Nonetheless, we caution against concluding that entitlement funds are unnecessary and therefore should be eliminated or merged with the general education funds as some educators and policymakers have argued (Loeb, Bryk, and Hanushek 2007). In fact, this study suggests that the manner in which these funds are allocated and used at the district and the school level merit closer scrutiny. More attention should be given to monitoring policies at the state level, allocation policies at the district level, and policies on the use of these funds at the school level in order to address the needs of English language learners. Also, training for school leaders should be a part of the strategy to improve practices, including fiscal practices, that center on ELL needs. Effective expenditure practices found in this study included diversification of expenditures, engagement of parents in fiscal decision-making, and development of a strong knowledge base of the entitlement categorical funding programs. The overarching goal is to provide English language learners with a diversified, enriched curricula and support services built upon a foundation of strong ties with the ELL community and parents.

Endnotes
1 Specifically, this study refers to the categorical funding program associated with Title III, Part A, known as the English Language Acquisition, Language Enhancement, and Academic Achievement Act. See, California Department of Education, “Title III FAQs,” http://www.cde.ca.gov/sp/el/t3/title3faq.asp. Title III is part of the No Child Left Behind Act of 2001.
3 LEP is a federal term used under the No Child Left Behind Act of 2001. In the state of California, these students are identified as English Language Learners or English Learners.
4 Supplemental services logs contain enrollment information for services like tutoring, in-class visits, and teacher support assistance.
5 The DELAC committee is typically comprised of one or two ELAC representatives, usually parents of ELL students, from each school site in the district. The committee is responsible for the district-wide English learner master plan. Moreover, the committee is asked to vote and provide advice as well as recommendations pertaining to supplemental district funds earmarked to address needs of ELL students across the district.
6 The ELAC committee is a local school site committee comprised of parents, teachers, and other school staff including a vice principal or principal of the school. In addition, the committee is responsible to oversee English language development program, CELD testing practices and advise as well as make recommendations to the School Site Councils.
pertain to supplemental site funds allocated for ELL purposes.

The SSC committee is an elected body representing each school site comprised of parents, community members, employees, and the site principal. In addition to constructing the school site plan for academic achievement, the committee is responsible for all site categorical allocations and expenditures.

In California, continuation schools are alternative high schools. See California Department of Education, “Continuation Education,” http://www.cde.ca.gov/sp/eo/ce.

A “Title I school” is shorthand for a school that qualifies for a school wide Title I program under the federal No Child Left Behind Act of 2001. Title I is a federal education aid program targeted to low income students. Those schools with greater than 40% of student enrollment classified as low income are eligible for aid through the Title I school wide program. See California Department of Education, “Title I: Schoolwide Programs,” http://www.cde.ca.gov/sp/sw/rt.

Total Title III funding was comprised of $121,695 for LEP students and $25,510 for immigrant students.

The “actuals” district reports are the reports reflecting actual expenditures during any given academic year. In other words, the “actuals” are end-of-year reports.

Due to differences in the funding formulas, EIA funding was substantially higher than Title III funding.

References