



NSBA Advocacy Institute 2014 CALIFORNIA BACKGROUND Local Control Funding Formula

In June 2013, the California Legislature approved and Governor Jerry Brown signed into law a historic reform of public K-12 education finance. Based on equity, transparency, accountability and local governing board authority, the Local Control Funding Formula (LCFF) transformed the distribution of funding to school districts, charter schools and county offices of education in a manner that grants local communities greater autonomy to customize education program offerings in purposeful ways for the entire student population generally, yet specifically for those students who are English Learners, from low income families, and those who are Foster Youth.

Equity

Beginning July 1, 2013, most state and local school funding in California was allocated to school districts and charter schools calculated on the number of students attending plus supplemental funding for unduplicated counts of students who are English Learners, who qualify for Free and Reduced-Price Lunch, or who are Foster Youth. When there are high numbers of unduplicated students, reaching 55 percent of the student population, the district or charter school qualifies for additional funding to provide additional resources to help address additional needs of high concentrations of these students.

$$\text{Base Grant} + \text{Supplemental Grant} + \text{Concentration Grant} = \text{Total LCFF Funding}$$

Base grant funding levels vary by grade level and are received for every student enrolled in a school district or charter school. At the K-3 levels, an adjustment is granted for those districts and charters that agree to hold their class sizes at 24:1. At the 9-12 level, another adjustment is given for career tech. In addition to the base grant, a supplemental grant worth 20 percent of the value of the base grant amount is available for every student who is either an English Learner, a low income student (qualifies for Free and Reduced-Price Meals) or a Foster Youth. And finally, for every student above 55 percent of the student population who is one of the three types of students previously mentioned, the district or charter receives a concentration grant worth 50 percent of the base grant.

Example 1: A district has 500 students, 20 percent of whom are either English Learner, Low Income, or Foster Youth. That district would be eligible for base grants for each of the 500 students (amounts depend on the number of students in each grade level) and supplemental grants for 100 of those students (20 percent of the population).

Example 2: A district has 1,000 students, 60 percent of whom are either English Learner, Low Income, or Foster youth. That district would be eligible for base grants for all 1,000 of the students, supplemental grants for 600 of those students and concentration grants for

50 of those students representing the concentration of English Learners, Low Income and Foster Youth above 55 percent of the student population.

A similar formula exists for county offices of education based on the types of students served, plus an additional amount is provided based on the number of school districts served by each county office and the total number of students in the county.

While full funding of the formula is proposed for county offices of education as part of the governor's January budget proposal, full implementation of the formula for school districts and charter schools is scheduled for the 2020-21 fiscal year.

Transparency

In exchange for additional discretion on how money is to be spent locally, school districts and county offices of education are required to engage in meaningful conversations with stakeholder groups (includes parents, teachers, students and others) about the learning and other goals for the targeted student populations and how resources will be allocated to achieve those goals. Additionally, prior to adopting a budget, each entity is required to adopt a Local Control and Accountability Plan (LCAP) which spells out goals and expenditures behind every goal for each of eight state priority areas. Those priorities are:

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| School Climate | Student Achievement |
| Student Engagement | Common Core Implementation |
| Parental Involvement | Course Access |
| Basic Services | Other Student Outcomes |

County offices of education have two additional state priorities that must be addressed:

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| Instruction of Expelled Students | Services for Foster Youth |
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Accountability

Adopted as part of the new funding model is an accountability system that provides assistance and intervention. Assistance to school districts, charter schools and county offices of education comes with the creation of the California Collaborative for Educational Excellence (CCEE), which is being formed currently to provide professional peer-to-peer assistance in all areas of the education program. Assistance from the CCEE can be requested by a school, school district, or county office or the CCEE may be directed to assist an entity that needs help. Other forms of intervention may come at the time of adoption of an LCAP if the overseeing entity identifies issues that are not addressed or are addressed inadequately. In the instance of a school district, its adopted LCAP is reviewed by the corresponding county superintendent. If certain guidelines are not followed in the LCAP, the county superintendent can disapprove that LCAP and send it back for revision. Examples of when an LCAP could be disapproved include when it does not address the eight state priorities or sufficient resources are not identified to implement a program or goal stated in the LCAP.

Governing Board Authority

Each of the foundational issues of equity, transparency, accountability and local governing board authority is important to the success of the LCFF in addressing student learning, especially for those populations of students who are at the heart of the new formula. Each issue is interdependent of the other. Governing board authority is the fourth critical component. Prior to LCFF, schools were funded by a combination of discretionary money (called revenue limits) and any of some 50 specific categorical programs. Under LCFF, 36 of those state-funded categorical programs were folded into the LCFF to give governing boards maximum authority over nearly all expenditures. Remember that authority comes with specific responsibilities in transparency and parent/stakeholder input, adoption of local plans, and assistance and intervention. What remains are 13 categorical programs, the biggest of which is special education.

Rather than schools chasing down the latest state categorical programs that may or may not fit the needs of particular communities, governing boards, educational leaders, teachers and other school staff will be chasing results with programs designed to meet the customized needs of students attending local schools.

TALKING POINTS FOR LOCAL CONTROL FUNDING FORMULA:

- **CSBA supports LCFF and is committed to the principles of equity, transparency, accountability and fairness.**
- **At the same time, CSBA recognizes that per-pupil funding in California public schools ranks somewhere between 48th and 35th when compared to other states and with all of the strengths of the LCFF as it relates to funding equity, it does not address the issues relating to funding adequacy.**
- **Governing board authority with stakeholder input is the bedrock to a successful LCFF. The federal government could look at ways to mirror the LCFF in distribution of federal money; meaning more authority for governing boards to design special programs around broad guidance and a reliance on measurements of outcomes rather than enforcement of stringent rules.**