

August 8, 2013

Dear District and County Leadership Teams:

On behalf of the undersigned organizations, we are writing to provide this joint communication on the implementation of the Local Control Funding Formula (LCFF) and what it means for districts, students and communities in 2013-14 and beyond.

The LCFF represents a historic shift in how California funds public schools – a major restructuring of the state’s school finance allocation methodology, based on the key precepts of local decision making, equity, accountability and transparency. While a change of such magnitude brings with it many questions and uncertainties, the LCFF presents an equally historic opportunity for local education agencies to improve student outcomes, close achievement gaps, and increase the level of communication between schools and the communities they serve.

The state’s shift away from categorical funding will require that districts be strategic in their spending and instructional program delivery, in ways that they perhaps have not considered before. To achieve the goals the state has outlined will require that districts begin local conversations *now*. Collaboration is critical and communications must be inclusive, and in the form of a dialogue. Among the key stakeholders that districts must begin engaging in discussions about how to improve outcomes for students are parents, teachers, principals, other school personnel and administrators, community groups and students themselves.

The 2013-14 fiscal year is an important transition year, as the State Board of Education develops regulations on the expenditure of funds and the accountability plan template, and the Superintendent of Public Instruction apportions funding under the new formula. During this transition, it is imperative that districts continue to be transparent and articulate how schools are making new and innovative opportunities available to support students. And while this transition year is just now beginning, there are considerations and conversations that should start immediately.

Districts must focus on several key areas as the state implements LCFF and clarifies requirements pertaining to the Local Control Accountability Plan (LCAP). These include honest and open stakeholder involvement, budget development and bargaining considerations. Our specific recommendations include the following:

Stakeholder Involvement and Input

Stakeholder involvement should begin now and be purposeful, informational, and provide clarity regarding the expectations of the budget and plan adoption. Teachers, principals, and classified personnel should be a part of these discussions, as well as parents, community groups and the business community. Establishing a parent advisory committee (and, depending on student demographics, an English Learner parent advisory committee) is a critical and required activity to engage parental involvement. Districts should be prepared to share information about the new

funding formula, the impact of the formula on district budgets, the budget development process and the expectations for the process. Although the template for the LCAP will not be completed until 2014, there are still statutory requirements for community and parental engagement that districts can begin to implement immediately.

Budget Development

The LCFF and the LCAP call for the alignment of budgets with plans for improving student outcomes and closing achievement gaps on at least eight state priorities and, if your district chooses, additional local priorities. District leadership must balance the need to reinvest in overall school and district operations, instructional programs, staff, and salaries/benefits with the expectation to implement new programs and services to make progress towards meeting goals on the state and local priorities for all pupils as well as pupil subgroups. Ensuring the district's budget is aligned with its instructional plan will be critically important under LCAP. This budget planning may take longer, and involve different kinds of conversations than district leaders have had in the past. Further, districts will be facing additional budgetary challenges that did not exist in previous fiscal years such as reducing K-3 class sizes to a 24:1 ratio, restoring the school year to 180 instructional days and maintaining funding levels for specific programs such as home-to-school transportation, regional occupational centers and programs and adult education.

It is critical that districts have a clear understanding of the conditions that impact student learning and achievement, and understand the quality of services that can be provided to produce academic success. While it remains unclear what requirements the State Board of Education will adopt on the supplemental and concentration funds, the statutory language calls upon districts to increase and/or improve services for English learners, low-income students and students in foster care in proportion to the increase in funds that districts receive based upon the unduplicated number of these students.

Collective Bargaining Considerations

With the state projecting additional resources for the majority of school districts, there will be considerable demand to restore previously reduced salaries, benefits and furloughs. In complex bargaining, careful planning is essential in order to achieve the most efficient, effective and ethical agreement. Effectiveness begins with clearly stated goals, both for the beginning and conclusion of negotiations. Poor or inadequate planning will result in lost opportunities, damaged relationships, and commitments that could jeopardize a district's fiscal health as well as its ability to meet the statutory requirements of and expectations inherent in the new law.

Bargaining goals should reflect the needs and expectations of all district stakeholders and constituent groups. The most successful planning models begin with governing boards determining goals for negotiations, and district leadership developing detailed plans to achieve those goals. Consistent and constant communication between all parties and the community will result in successful agreements.

Local Planning

LCFF creates the opportunity to begin planning for strategic investments moving forward, but in the short term there are a number of important regulatory decisions that need to be made.

Districts will be pressured to make decisions and commitments now, but it is important to make informed decisions on programs and services and to retain flexibility for subsequent budget years, when there will be more details on the requirements for the expenditure of funds.

In conclusion, we encourage school districts to view the LCFF and LCAP as new opportunities to engage communities in a holistic discussion on the best strategies and concrete actions that will improve achievement, eliminate achievement gaps and meet the goals and expectations we all have for our students. We hope that this information is helpful as the state transitions to a new funding model.

Sincerely,



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