What you need to know about
California's Local Control Funding Formula (LCFF)

The Education Trust–West

Fair Share 4 Kids!

What is the Local Control Funding Formula?

A new funding formula

In July 2013, California dramatically reformed the way it funds school districts. The new law, the Local Control Funding Formula (LCFF), replaced a system, dating back to the 1970's, that was:

☒ Outdated

☒ Irrational

☒ <u>Unfair</u>

School districts serving more low-income and English learner students often received *fewer* state resources than school districts serving wealthier communities.

California's School Finance System Before And After The Local Control Funding Formula (LCFF)

Higher poverty districts receive more dollars

Old Funding System
New Funding System (LCFF)
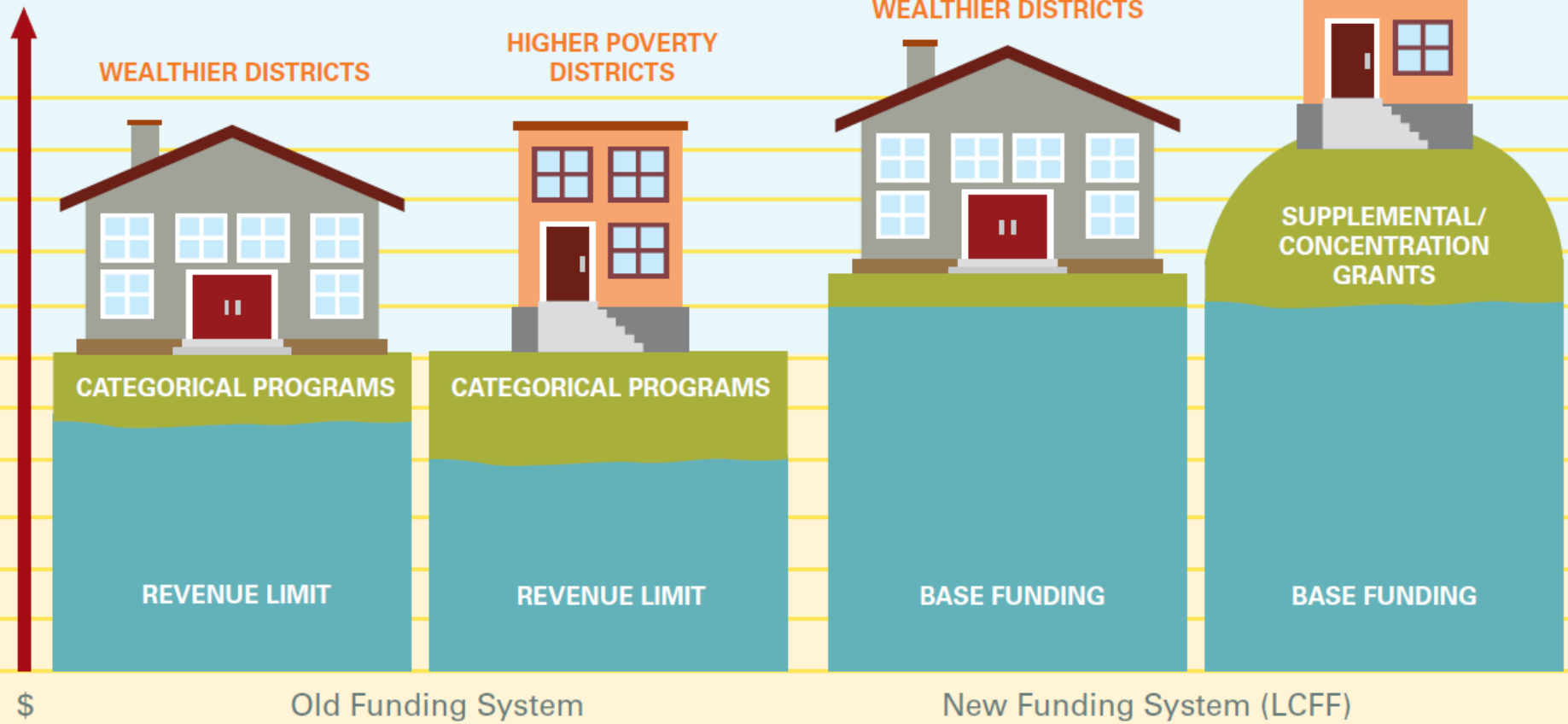
LCFF is About Equity

"Equal treatment for children in unequal situations is not justice." – Governor Jerry Brown, January 2013 State of the State speech

- LCFF recognizes that students with additional academic needs – low-income, English language learner, and foster youth students - also need additional financial resources to ensure equity of opportunity

- LCFF is an important step toward closing opportunity and achievement gaps that separate many students from their more advantaged peers.

EQUALITY | EQUITY
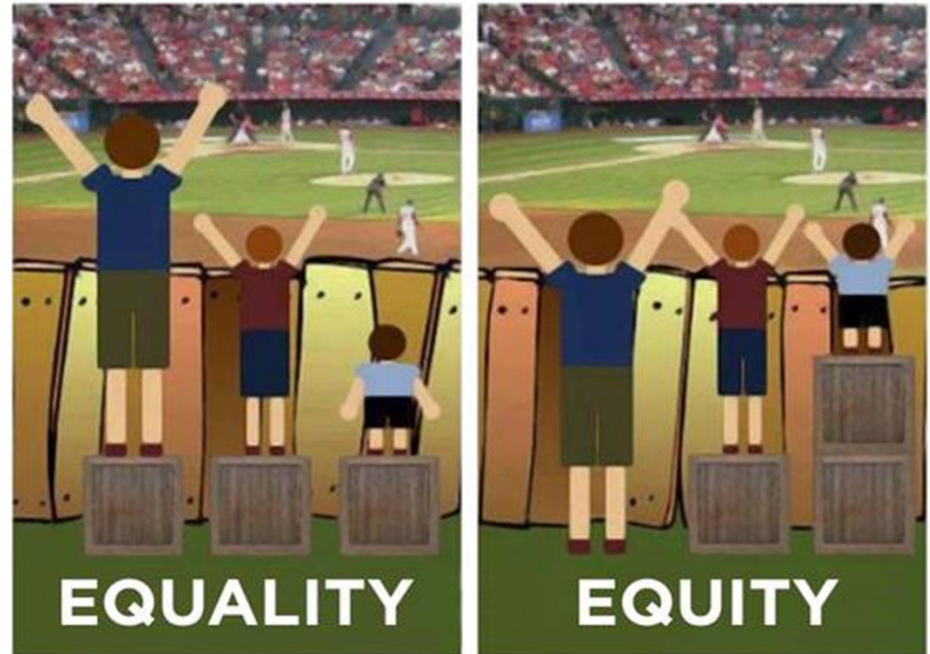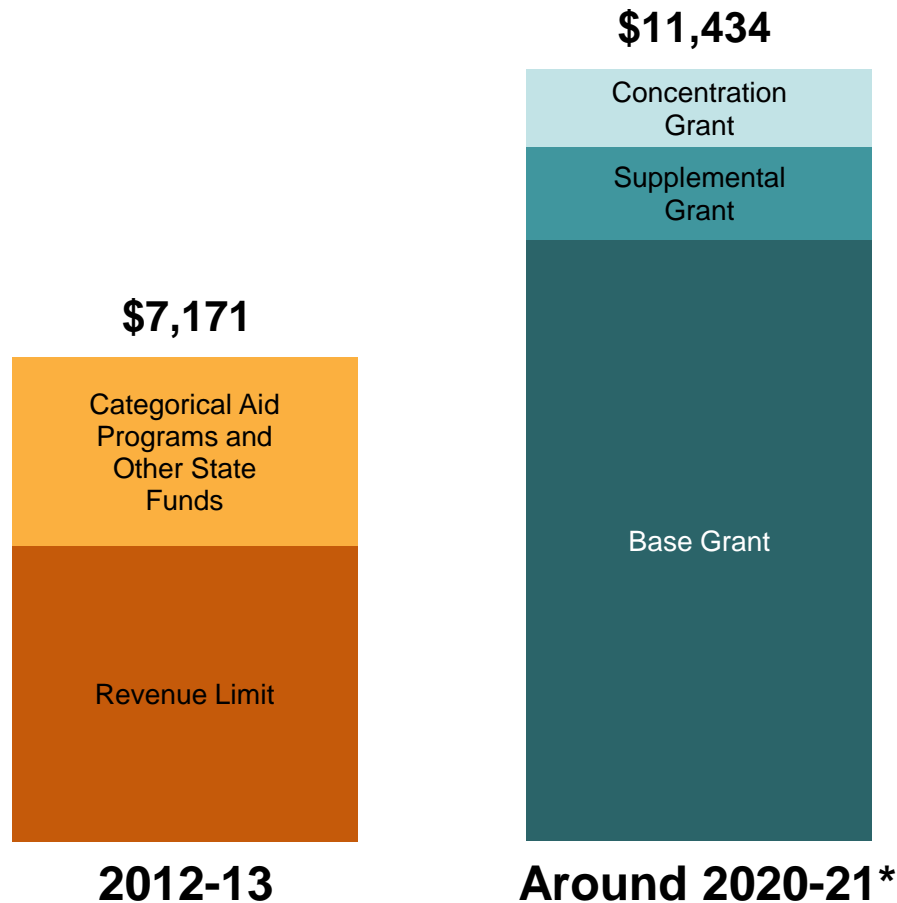
LCFF Overall Basics

- Eliminates "revenue limits" and most state categorical programs, streamlining state K-12 funding

- Allocates resources based on student needs

- Shifts responsibility for allocation of K-12 funding from the state to school districts

- Sets target levels of investment; it will take approximately 8 years to reach these targets

- Upon full implementation, every district will receive at least as much funding as when the economy peaked in 2007-08, and most will receive far more

How does LCFF work?

1. **<u>Base grants</u>** provide districts with the bulk of their funding. These per-pupil grants vary by grade level. Target base grants range from about $7,000 in grades 4-6 to about $8,600 in grades 9-12 (these targets are adjusted each year for cost-of-living).

2. **<u>Supplemental grants</u>** provide districts with 20% more funding for each student who is either low-income, English language learners, and/or in foster care (i.e. high-need).

3. In districts where at least 55% of students are high-need, **<u>concentration grants</u>** provide additional funding. For each low-income, English learner, or foster youth student above the 55% enrollment threshold, the district receives an additional 50% in funding.

Sample Per-Pupil Funding for a High-Need California District

(one that is 80% low-income, English language learner, and/or foster youth)

$11,434

Concentration Grant

Supplemental Grant

Base Grant

$7,171

Categorical Aid Programs and Other State Funds

Revenue Limit

*The state is projected to reach full LCFF implementation around 2020-21, although this date could change based on many factors

2012-13

Around 2020-21*

Spending Regulations

1. Spending on High-Need Students

- Districts are required to spend *no less* on high-need students than they have in the past
- And should *add* to this spending with new LCFF funds

2. Use of Supplemental & Concentration Grants

- Districts must use their supplemental and concentration funds to *increase* or *improve services* for its high-need students

3. Use of Base Grants

- Base funding is intended to support the district's general educational services and operations

What does LCFF Mean for Districts?

- More flexibility over spending and programs

- Must create a 3-year plan – the Local Control Accountability Plan (LCAP) and annually update this plan

- Must engage and solicit community feedback

- Must show progress in 8 state priority areas

- Must follow minimum requirements on how to spend funds

What is the Local Control Accountability Plan (LCAP)?

What LCAPs Must Include

EACH DISTRICT AND EACH SCHOOL MUST HAVE:
- ✓ Goals
- ✓ Actions
- ✓ Related budget

FOR EACH MAJOR STUDENT GROUP:
- ✓ Each race/ethnicity
- ✓ Low-income students
- ✓ English learners
- ✓ Students with disabilities
- ✓ Foster youth

ACROSS 8 PRIORITY AREAS:
1. Student achievement
2. Student engagement
3. Other student outcomes
4. School climate
5. Parental engagement
6. Basic services
7. Implementation of standards
8. Access to courses

POTENTIAL SERVICES & PROGRAMS

Improving school environment

Language support in Common Core

Access to Mental Health Services

Targeted academic support for migrant, homeless, and foster youth

Full-day Pre-school

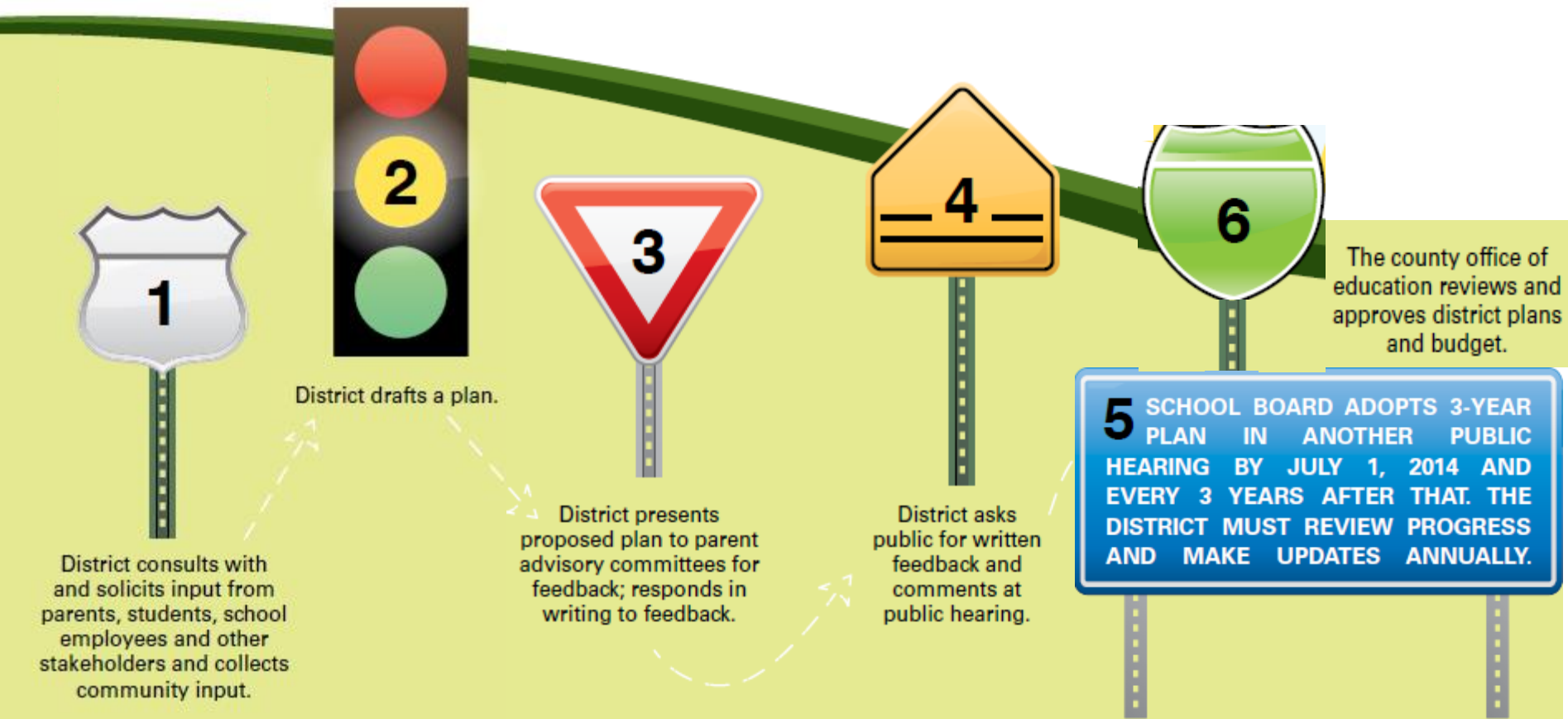After-school & Summer Learning

And much, much more…

The LCAP Process

District consults with and solicits input from parents, students, school employees and other stakeholders and collects community input.

District drafts a plan.

District presents proposed plan to parent advisory committees for feedback; responds in writing to feedback.

District asks public for written feedback and comments at public hearing.

5 SCHOOL BOARD ADOPTS 3-YEAR PLAN IN ANOTHER PUBLIC HEARING BY JULY 1, 2014 AND EVERY 3 YEARS AFTER THAT. THE DISTRICT MUST REVIEW PROGRESS AND MAKE UPDATES ANNUALLY.

The county office of education reviews and approves district plans and budget.

The LCAP Annual Update

LCAPs are adopted every 3 years. In between, districts must complete annual updates. These must include

- A listing and description of expenditures on LCAP actions currently being implemented

- A listing and description of expenditures targeting high-need students and reclassified English learners.

- The listed expenditures identified in the update must be classified using the California School Accounting Manual.

- A description of changes to LCAP actions that a district will make as a result of the review and evaluation.

LCAP Stakeholder Engagement Requirements

ENGAGEMENT REQUIREMENTS	LCAP EVERY 3 YEARS	ANNUAL UPDATE
Consult with "teachers, principals, administrators, other school personnel, parents, and pupils" in completing the plan.	X	
Present the plan to the parent advisory committee (PAC) and district English learner advisory committee (DELAC) for review and comment. The superintendent must respond in writing to the parent committees' comments.	X	X
Notify members of the public of the opportunity to make written comments.	X	X
Review school site council plans to ensure district actions are consistent with school site-level strategies.	X	X
Hold a public hearing to solicit public recommendations and comments. Post the agenda at least 72 hours before the public hearing and include where the plan is available for review.	X	X
Hold the public hearing on the plan and the budget at the same meeting.	X	X
Adopt the plan at a public school board meeting. The adoption meeting must be after the public hearing (and not during the same meeting). The plan and budget must be adopted at the same meeting.	X	X
Post the plan on the district website.	X	X

How Can Community Stakeholders Get Engaged?

Questions to Ask Your District

- How much does your district receive in supplemental and concentration grants, and how will this figure grow over time?

- How does your district plan to use these funds to benefit low-income students, English learners, foster youth, and other high-need groups of students?

- How is the district involving parents and community members in LCFF and LCAP?

- What is the district calendar for developing its LCAP and budget, incorporating stakeholder input, and making final decisions?

- How are parent advisory committee members selected and trained, what are their roles and term limits, and how are they included as true partners in the planning process?

- How is the district evaluating progress toward LCAP goals?

Share Your Suggestions

- Propose specific programs that you would like to see the district support with base grants and supplemental/concentration grants.

- Recommend goals, metrics, and strategies for monitoring parent and student engagement.

- Request training for community members on school district budgeting and planning.

- Suggest a plan for how the community can help monitor the district's efforts.

How Will Districts be Held Accountable?

The Evaluation Rubric

By Oct. 1, 2015, the State Board of Education must adopt evaluation rubrics to be used for 3 purposes:

1. Assist districts in assessing strengths and areas for growth
2. Assist county offices of education in offering technical assistance and support to districts
3. Assist the state in determining which districts need interventions

The SBE is determining which indicators to incorporate in the rubrics. The Board is also deciding how to set performance and improvement standards.

ETW's proposed framework for how new data dashboards might be part of the state accountability system

Tool	Answers	Key Components
School & District Quality Ratings ("New API")	• Overall, ***how*** is this school or district doing against state targets? • ***How*** does it compare to other schools or districts?	• Summary designations, ratings, or indices • Small number of outcome measures • State targets • Clear triggers
Data Dashboards	• ***What*** are the results for this school or district across multiple priorities & measures, based on both state and local targets?	• Larger number of input and outcome measures • State and local targets
Local Control and Accountability Plans	• ***What*** are this district's local goals, programs/services, and expenditures?	• Stakeholder engagement • Goals, actions, and expenditures • Justification for use of targeted funds

Under LCFF, Who Holds Districts Accountable, and For What?

Who	Their role
District stakeholders, parent committee members	Provide input and feedback, consult on the district's priorities and programs
District Board of Education	Adopts LCAP/Annual Update and budget, requests technical assistance

County Offices of Education (COE)	• Approves an LCAP if all 3 are true:
	  • 1) LCAP adheres to the template
	  • 2) district's budget is sufficient to fund the planned actions and services (Note: cannot reject LCAP on its substantive merits), and
	  • 3) district spends supplemental and concentration $ appropriately
	• If LCAP is not approved or if school board requests, COE reviews district results using the evaluation rubrics, provides technical assistance and support

Under LCFF, Who Holds Districts Accountable, and For What?

Who	Their role
California Collaborative for Education Excellence (CCEE)	• Provides technical assistance and support • Refers districts that do not implement recommendations or are significantly struggling to SPI

State Superintendent of Instruction (SPI)	• Intervenes in districts that:
	    • Fail to improve outcomes of 3 or more student subgroups in 1 or more priorities in 3 out of 4 school years and
	    • Are referred by the CCEE
	• Can intervene by doing any of the following:
	    • Changing LCAP
	    • Revising budget
	    • Ending actions or services, or
	    • Appointing an academic trustee to direct intervention

LCFF/LCAP Resources

www.fairshare4kids.org

Find out how much supplemental & concentration funding your district must spend, and get LCFF advocacy tools & publications

www.lcapwatch.org

Find LCAPs for all California school districts, and find more LCAP resources

www.edtrustwest.org