California State’s Local Control Funding Formula (LCFF)

Bringing Lessons Learned to Washington state

November 29, 2016
Education Equity

- **School Finance**: Fixing our broken system to ensure both adequate and equitable school funding
- **Teacher Quality**: Increasing access to qualified and effective teachers
- **College & Career Readiness**: Ensuring students receive a meaningful education that prepares them for civic engagement, social success and successful entry into the work force or higher education
- **Higher Education**: Improving student access to financial aid in public colleges and universities, and holding for-profit schools accountable
- **English Language Learners**: Making sure students learning English have a fair chance at meeting the same academic goals as those who are fluent in English
- **Accountability**: Improving state data and accountability systems so that they incentivize the provision of college and career ready opportunities and outcomes for all students
- **School-Based Health**: Helping students thrive academically by promoting their physical and emotional well-being
Local Control Funding Formula (LCFF)

For school districts and charter public schools, the LCFF establishes base, supplemental, and concentration grants in place of the myriad of previously existing K–12 funding streams, including revenue limits, general purpose block grants, and most of the 50-plus state categorical programs that existed at the time.

For county offices of education (COEs), the LCFF establishes separate funding streams for oversight activities and instructional programs.

Original estimates provided by the Department of Finance (DOF) in 2013–14 indicated there would be an additional state cost of approximately $18 billion, which included $58 million for COEs. DOF estimated it would take eight years to fully phase in the new funding formula for school districts and charter schools, and it would take two years to fully phase in the new formula for COEs.
How LCFF Works

• LCFF provides a base grant for each student, which varies by grade level, providing an additional $737 per student in grades K-3 for class size reduction and $223 per student in grades 9-12 for career and technical education.

• Supplemental grant is provided to school districts based on how many low-income, English-learners, and foster youth they serve, generating 20 percent more funding above the base grant.

• Concentration grant is provided to school districts where at least 55 percent of students are high-need, generating an additional 50 percent of the base grant.
2016 Base grant by Grade levels

Grade K-3: $7,820
Grade 4-6: $7,189
Grade 7-8: $7,403
Grade 9-12: $8,801
Implementation of the Local Control Funding Formula

- **2013-14**: 12% Gap Funded, 72% of Target
- **2014-15**: 30% Gap Funded, 80% of Target
- **2015-16**: 53% Gap Funded
- **2016-17**: 54% of Remaining Gap Funded (DOF Estimate), 90% of Target, 96% of Target

(in Billions)
### How is it funded?

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Revenue Limits (a combination of property taxes and general purpose state aid)</td>
<td>61%</td>
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<tr>
<td>State Categorical</td>
<td>21%</td>
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<tr>
<td>Federal Funding</td>
<td>12%</td>
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<tr>
<td>Other local funding (such as parcel taxes, leases, and fees)</td>
<td>6%</td>
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Local Accountability & Engagement

All school districts must adopt a **Local Control & Accountability Plan** (LCAP), a 3-year plan for how districts will use state funds to serve all students, with the consultation and input of parents, students, teachers and staff, and community.

Each school district’s Local Control and Accountability Plan (LCAP) must focus on eight priority areas that help all students succeed, plus any locally identified priority areas.

The LCAP is created with community input as a core standard and the LCAP must indicate what the community input was and the effort put into engaging the local community.

*The LCAP AND THE BUDGET go hand in hand. The localized budget WILL NOT pass if the LCAP is not approved.*
Eight State Priorities

Using the Local Control and Accountability Plan (LCAP), school districts must develop measurable student outcomes to the eight statewide priorities and any additional locally defined priorities, in consultation with their communities, and describe how they will meet all of the goals and align resources.
**Priority 1 – Basic Services:** Providing all students with access to fully credentialed teachers in their subject areas, as well as instructional materials that align with state standards and safe, properly maintained school facilities.

**Priority 2 – Implementation of State Standards:** Ensuring school programs and series enable all students, including English learners, to access California’s academic content and performance standards, including California’s State Standards for English language arts and math, and Next Generation Science Standards and English Language Development Standards.

**Priority 7 – Course Access:** Ensuring all students have access to a broad course of study in all required subject areas including math, social science, science, visual and performing arts, health, P.E., and CTE, that prepare them for college and careers.

**Priority 4 – Student Achievement:** Improving achievement and outcomes for all students as measured in multiple ways such as test scores, English proficiency and college- and career-readiness.

**Priority 8 – Other Student Outcomes:** Measuring other important indicators of student performance in all required areas of study.

**Priority 5 – Student Engagement:** Providing students with engaging programs and course work that keeps them in school, as measured in part by attendance rates, dropout rates and graduation rates.

**Priority 3 – Parent Involvement:** Efforts by the school district and schools to seek input from all parents, and to engage parents in decision-making, as well as promoting parent participation in programs that needs of their students.

**Priority 6 – School Climate:** Factors both inside and outside the classroom that impact student success such as health, safety, student discipline and school connectedness, as measured in part by suspension and expulsion rates, and surveys of students, teachers, and parents.
### LCAPs must include services that target each major student subgroup, including:

<table>
<thead>
<tr>
<th>Racial/ethnic subgroups</th>
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<tbody>
<tr>
<td>✓ Low-income students</td>
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<tr>
<td>✓ English learners</td>
</tr>
<tr>
<td>✓ Students with disabilities</td>
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<tr>
<td>✓ Foster youth</td>
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<tr>
<td>✓ Homeless youth</td>
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### The Local Control Funding Formula Evaluation Rubrics

The evaluation rubrics will provide a multi-dimensional view of LEA’s academic progress based on 6 State Indicators, which align to the federal Every Student Succeeds Act (ESSA).

#### 6 State Indicators
1. Academic Indicators
2. College & Career Indicator
3. Graduation Indicator
4. English Learner Indicator
5. Chronic Absence Indicator
6. Suspension Rate Indicator
Who Holds Districts Accountable

**District staff, parents, student community stakeholders:** provide input and feedback on district’s priorities.

**District Board of Education:** adopt LCAP/Annual Update and budget, requests technical assistance.

**County Office of Education:** approves or disapproves LCAP and provides technical assistance.

**California Collaborative for Educational Excellence (CCEE):** provide technical assistance and support. Refers districts that do not implement recommendations or continue to struggle to the SPI.

**State Superintendent of Instruction (SPI):** intervene 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.
Timeline for California

January 5, 2012 **Original weighted student formula proposal introduced** Governor Jerry Brown introduces a weighted formula approach to school funding in the 2012-13 January budget proposal. It was later removed from the proposal and was not enacted that year.

January 10, 2013 **Governor unveils LCFF** Governor Jerry Brown unveils the Local Control Funding Formula as part of his 2013-14 January budget proposal.

June 14, 2013 **Legislature passes LCFF** The California State Legislature passes the Local Control Funding Formula in the 2013-14 California State Budget with bipartisan support.

August 1, 2013 **Create a community engagement strategy** Effective community engagement is a cornerstone of the Local Control Formula. School districts must plan and act now to authentically engage parents and community partners in planning and budgeting processes.

April 30, 2014 **School District Implementation -- Districts prepare draft LCAP with community** By the end of April, districts must prepare a draft Local Control and Accountability Plan with collaboration from the community and submit it to the school district board for review.

July 1, 2015 — July 1, 2016 **Strengthen planning and budget processes**: School districts should work to continuously improve how the Local Control and Accountability Plan is developed and ensure ongoing multi-year planning and budgeting with the input of parents, community members and stakeholders to achieve the intent of the Local Control Funding Formula and reach improvements in student outcomes.
Key Findings on LCAP Challenges and Opportunities

A. Districts are not providing the level of transparency promised in exchange for increased spending flexibility. Most districts are missing the opportunity to use the LCAP as a comprehensive planning tool for continuous improvement.

B. Many districts and LEAs are not yet fulfilling the equity promise of LCFF.

C. Districts varied as to whether they adopted robust annual measurable outcomes, and some omitted legally required metrics to show how they are performing in the eight state priorities.

D. Most Annual Updates reviewed lacked the transparency necessary to serve as a robust tool for reflection and continuous improvement.

E. Too many districts approach the LCAP community engagement as a checkbox, instead of a meaningful exercise in shared decision-making. BUT those districts that invested resources and partnered with community based organizations are sowing seeds of real cultural transformation that can lead to increased student achievement.
Can we do this in Washington state?

Absolutely ... but it will take:

- A United Vision for educational equity
- Pragmatism
- Intentional and genuine coalition building
- Commitment to the spirit of fair school funding and student centric education
QUESTIONS?