

# LOCAL CONTROL FUNDING FORMULA (LCFF)

## What is the Local Control Funding Formula?

Governor Brown addressed state budget problems with the introduction of the Local Control Funding Formula (LCFF).

The goal of LCFF is to:

- increase transparency and complexity,
- improve funding equity across school districts,
- improve local accountability
- provide additional funding for supplemental services to low income (FRPM), English learners, and foster youth,
- provide incremental annual increases with full funding by 2020-21 and
- require districts to develop and adopt a Local Control Accountability Plan (LCAP).

## A new methodology for funding K-12 education

The 2013-14 state enacted budget replaces the old K-12 finance system with a new funding mechanism, the Local Control Funding Formula (LCFF). LCFF is meant to be simple and transparent while allowing districts maximum flexibility in allocating resources to meet local needs. School districts and charter schools will now be funded through base, supplemental and concentration grants in place of revenue limits and most state categorical programs.

## COMPONENTS OF THE LCFF

### 1. Base Grant

Provides a base grant for school districts which establishes a uniform grade-span target base rate for all school districts. Governor Brown's proposed 2014-15 budget includes a cost-of-living-adjustment of 0.86 percent, which would increase the base rates to the following:

- **K-3:** \$7,741 (including class-size reduction incentive)
- **Grades 4-6:** \$7,117
- **Grades 7-8:** \$7,328
- **Grades 9-12:** \$8,712 (including incentive for career technical ed)

### 2. Adjustments to Base Grant

Adjusts Early Elementary Base Rate

- 10.4% adjustment on the base grant amount, initially \$712 per Average Daily Attendance (ADA) for K-3 to provide additional funding for class-size reduction
- Districts must progress toward an average class size not to exceed 24 students in K-3, unless the district has in place an alternative average class size in these grades through an existing collective bargaining agreement

Adjusts High School Base Rate

- 2.6% adjustment on the base grant amount for 9-12, initially \$216 per Average Daily Attendance (ADA)
- Related to the costs of providing career technical education (CTE) in high school

### 3. Supplemental Grants

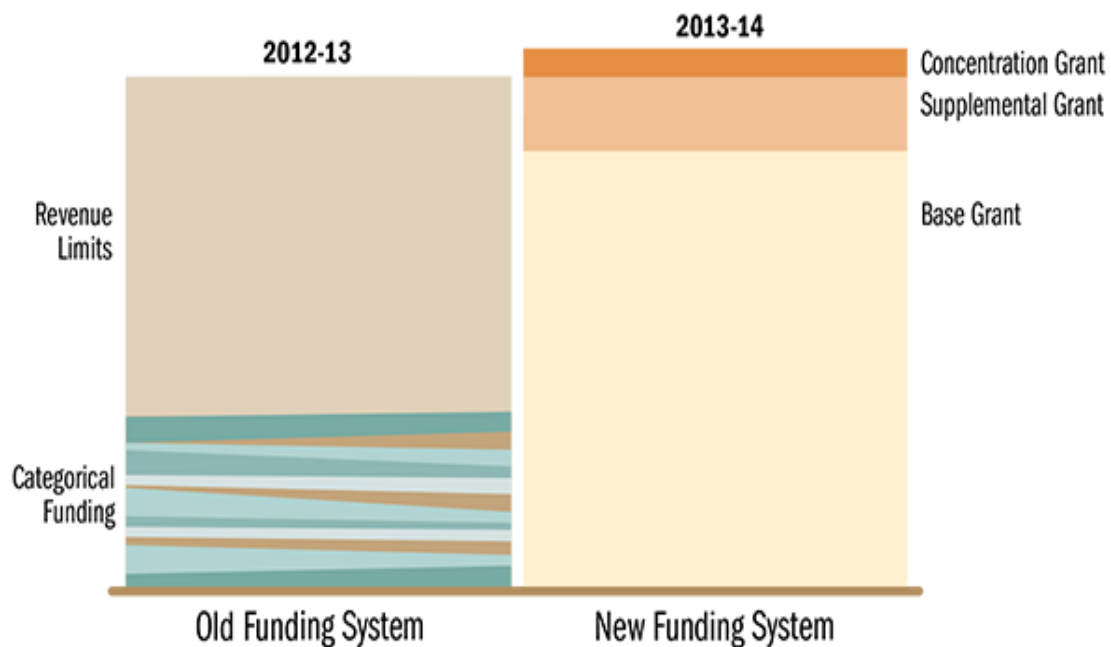
Provides a supplemental grant in addition to the base grant for targeted disadvantaged students.

- Equal to 20% of the qualifying student's adjusted grade-span base rate
- Qualifying students include English Learners (EL) Low income students (LI) as measured by those students eligible to receive free or reduced-price meals (FRPM) and Foster youth
- Supplemental grants are calculated based on an unduplicated count. (i.e. if a student qualifies on the basis of a combination of any two or three of the above characteristics, the student can be counted only once)

### 4. Concentration Grants

Provides a concentration grant in addition to the base and supplemental grants for districts whose enrollment of EL and LI students exceeds 55% of their total enrollment.

- Funded at 50% of the adjusted grade-span base grant rate for percentage of targeted students exceeding 55% of the total district's enrollment



### STATE CATEGORICAL PROGRAMS

Many state categorical programs were eliminated and funding for these programs are now folded into the LCFF.

## **COST OF LCFF**

Full implementation of the LCFF, (i.e. the amount needed for all districts to reach their target funding levels) is estimated to cost \$18 billion of additional funding above what the state spent on K-12 education in 2012-13. The state budget projects the time frame for **full implementation of the LCFF to be eight years.**

The actual dollar amount each district receives is different and will depend on:

- the district's ADA in each grade span
- population of English Learners, Low-Income and Foster Youth students as a percentage of district's total enrollment

## **LOCAL CONTROL AND ACCOUNTABILITY PLAN (LCAP)**

On or before July 1st of every year, the District must adopt a Local Control and Accountability Plan (LCAP) using the State template. The District's LCAP must include a description of the following:

- Stakeholder engagement process
- Metrics for measuring growth
- Related state and local priorities
- Annual goals
- Actions and services

For each fiscal year of the plan, the District must list and describe expenditures for implementing specific actions included in the LCAP.

- The state enacted budget establishes a set of new rules for how funds will be spent to provide high-quality educational programs promoting transparency and accountability in the expenditure of funds.
- Districts are required to adopt LCAPs every three years starting in July 2014, and update these plans annually.
- Districts are required to use the LCAP template adopted by the State Board of Education (SBE).
- LCAPs must address the district's annual goals in each of the eight state-identified priority areas
  - Must include both district-wide goals and goals for each numerically significant student subgroup
  - To be numerically significant, a district must have at least 30 students in one of these subgroups
  - Exception is foster youth for which a district must have at least 15 students
- Districts must specify actions they will take to achieve annual goals
  - Specific actions must be aligned with the school district's adopted budget

## STATE PRIORITIES

The State Board of Education selected the following eight areas as those toward which LCFF funding should be directed.

### Pupil Achievement

- » Performance on statewide standardized tests.
- » Score on Academic Performance Index.
- » Share of pupils that meet the requirements for entrance to the University of California and the California State University or complete career technical education sequences or programs.
- » Share of English learners that become English proficient.
- » English learner reclassification rate.
- » Share of pupils that pass Advanced Placement exams with 3 or higher.
- » Share of pupils determined prepared for college by the Early Assessment Program.

### Pupil Engagement

- » School attendance rates.
- » Chronic absenteeism rates.
- » Middle school dropout rates.
- » High school dropout rates.
- » High school graduation rates.

### Other Pupil Outcomes

- » Other indicators of pupil performance in required areas of study.

### School Climate

- » Pupil suspension rates.
- » Pupil expulsion rates.
- » Other local measures.

### Parental Involvement

- » Efforts to seek parent input.
- » Promotion of parental participation.

### Basic Services

- » Rate of teachers appropriately assigned and fully credentialed.
- » Pupil access to standards-aligned instructional materials.
- » Facilities maintained in good repair.

### Implementation of State Standards

- » Implementation of State Board of Education-adopted academic content and performance standards for all pupils, including English learners.

### Course Access

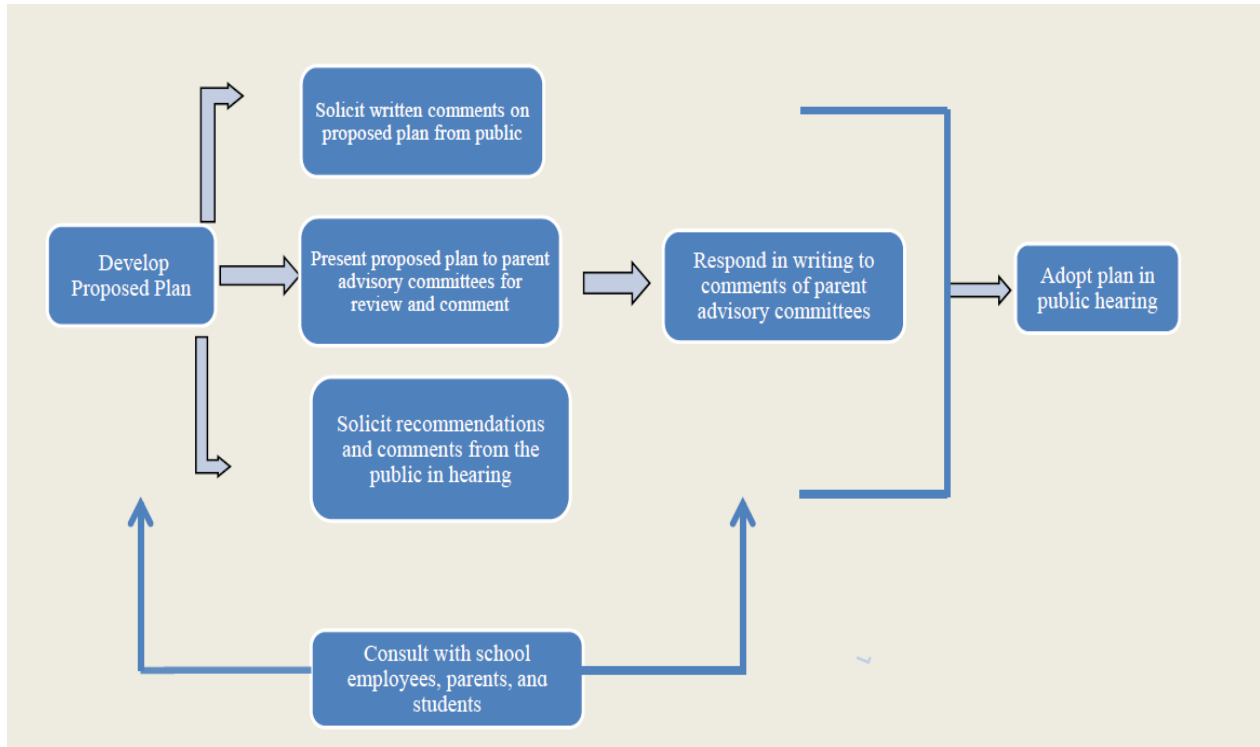
- » Pupils access and enrollment in all required areas of study.

## STAKEHOLDER ENGAGEMENT

Districts must solicit input from various stakeholders including district employees, parents, students and community members in the development of the LCAP.

- Present proposed plan to a parent advisory committee (PAC)
- Present plan to a separate EL parent advisory committee

## SCHOOL DISTRICT LCAP ADOPTION PROCESS



### PUBLIC HEARINGS

Districts are required to hold at least 2 public hearings to discuss and adopt their LCAPs. Minimum 2 hearings also required for annual updates of the plan

- At least 1 public hearing to solicit recommendations and comments from public regarding proposed expenditures in the plan
- Subsequent hearing to officially adopt/update the LCAP

### ADDITIONAL INFORMATION

EdSource Local Control Funding Formula Guide

<http://edsources.org/publications/local-control-funding-formula-guide>