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Local Control Funding Formula (LCFF)

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Major Differences in LCFFs for School Districts:

- Governor.** Proposed to replace existing school district funding system with new formula based on uniform per-pupil base rates, supplemental funding for English Learners and low-income (EL/LI) students, concentration funding for districts with above-average concentrations of EL/LI students, additional funding for class size reduction and career technical education, and “add-ons” to lock in two existing funding streams. Has relatively complicated fiscal and academic accountability provisions.
- Assembly.** Largely built upon Governor’s proposal with three main differences: (1) increases target base rates, (2) uses duplicated EL and LI student counts, and (3) at full implementation, funds districts at the higher of their LCFF target or economic recovery target (assumes revenue limit deficit factor retired, categorical cuts restored, and future cost-of-living adjustments provided). Has simpler fiscal accountability provisions than Governor and modifies academic accountability provisions.
- Senate.** Largely built upon Governor’s proposal but has four main differences: (1) delays implementation until 2014-15, (2) increases base rates (about \$500 above Governor’s base rates), (3) increases EL/LI supplemental rate, and (4) does not include concentration funding. Has simpler fiscal accountability provisions than Governor but adopts similar academic accountability provisions.

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	Governor	Assembly	Senate
Provisions Relating to Formula:			
Year One	2013-14	2013-14	2014-15
Average Target Base Rate ^a	\$6,878	Included, rate not specified	\$7,378
EL/LI Supplement	35%	Included, rate not specified	40%
Concentration Funding	35%	Included, rate not specified	None
Concentration Threshold	50%	Included, not specified	N/A
EL/LI Student Count	Unduplicated ^b	Duplicated	Unduplicated
CSR	11.2% of K-3 base, some restrictions	Included, rate not specified	Same as Governor
CTE	2.8% of 9-12 base, no restrictions	Included, rate not specified. Requires districts participating in ROCP JPAs to use funds for existing ROCP	2.8% of 9-12 base, restricted for college and career readiness
Economic Recovery Target (ERT) ^c	None	All districts restored to (or above) ERT by 2019-20	None
Gap to Full Implementation	\$16 billion	Not specified	\$20 billion
2013-14 Funding	\$1.8 billion	\$3.6 billion	\$2.3 billion ^d
Categorical Add-Ons	TIIBG, HTS Transportation	TIIBG, HTS Transportation, adult education, FYS, Adults in Correctional Facilities, Apprenticeship programs, fixed-cost add-on	TIIBG, HTS Transportation, adult education, FYS, Adults in Correctional Facilities, ROCPs, Partnership Academies, Agricultural Vocational Education, Specialized Secondary Programs

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	Governor	Assembly	Senate
Provisions Related to Accountability:			
Fiscal Accountability	Used LCAPs for fiscal transparency. Requires districts to spend funds generated by EL/LI students for their benefit.	Required districts to adopt plans consistent with federal requirements, and approve an EL/LI master plan.	Modified Governor's proposal for LCAPs. Requires that EL/LI funding be used to supplement, not supplant, existing resources.
Academic Accountability	Developed tiered intervention system involving COE Superintendents, SPI, and FCMAT.	Developed statewide accountability infrastructure to support districts to improve academic outcomes.	Modified Governor's proposal for tiered system of intervention.
<p>^a Reflects the average of four grade-specific base rates (K-3, 4-6, 7-8, and 9-12). ^b Limits supplemental funding for EL-only students to seven years. ^c The ERT retires the revenue limit deficit factor, restores categorical programs to 2007-08 levels, and provides cost of living adjustment in future years. ^d Senate would use funds for existing programs in 2013-14, then for Local Control Funding Formula in 2014-15.</p> <p>EL/LI = English learner/low-income (also includes foster youth); CSR = class size reduction; CTE = career technical education; ROCP = Regional Occupational Centers and Programs; JPA = Joint Powers Authority; TIIBG = Targeted Instructional Improvement Block Grant; HTS = Home-to-School; FYS = Foster Youth Services; LCAP = Local Control and Accountability Plan; COE = county office of education; SPI = Superintendent of Public Instruction; and FCMAT = Fiscal Crisis and Management Assistance Team.</p>			

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Issue	LAO Compromise	Comments
Year One	2013-14	Dedicates \$2.5 billion in 2013-14.
Average Target Base Rate ^a	\$7,378	Sets base rates \$500 above Governor's proposed target base rates.
EL/LI Supplement	35% of base rate	Adopts Governor's proposed rate.
Concentration Funding	35% of base rate	Adopts Governor's proposed rate.
Concentration Threshold	75% EL/LI students	Provides additional resources to districts with disproportionate concentrations of EL/LI students.
EL/LI Count	Unduplicated	Adopts Governor's proposal to limit supplemental funding for EL-only students to seven years.
CSR Adjustment	11.2% of K-3 base rate	Requires districts to keep K-3 class sizes at 24:1 or lower.
CTE Adjustment	2.8% of high school base rate	Requires districts to use CTE adjustment for career and college readiness. Requires districts with ROCPs to maintain programs for one transitional year.
Add-ons ^b	TIIBG, HTS Transportation	Includes BBL requiring study to identify ways to restructure HTS Transportation program. Maintains spending restrictions for HTS Transportation.
Economic Recovery Target (ERT)	Funds LCFF target or ERT, whichever is higher	The ERT retires revenue limit deficit factor, increases categorical funding to 2007-08 level, and applies COLA moving forward (except for districts with exceptionally high per-pupil rates).
Fiscal Accountability	Includes general, overarching parameters	Requires districts to use EL/LI supplement and concentration funding to supplement, not supplant, other resources.
Academic Accountability	Adopts principles paralleling current FCMAT system	Phases in components of new system over several years. Increases interventions as problems become more serious. Uses regional accountability system. Establishes new agency to support districts' improvement efforts.

^a Reflects the average of four grade-specific base rates (K-3, 4-6, 7-8 and 9-12).
^b Adult education, apprenticeship programs, and Adults in Correctional Facilities would be part of an adult education package. Foster Youth Services would be part of LCFF for county offices of education.
 EL/LI = English learner/low-income (also includes foster youth); CSR = class size reduction; CTE = career technical education; ROCP = Regional Occupational Centers and Programs; TIIBG = Targeted Instructional Improvement Block Grant; HTS = Home-to-School; BBL = budget bill language; COLA = cost-of-living adjustment; and FCMAT = Fiscal Crisis and Management Assistance Team.