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Overview of the Local Control Funding Formula and Local Control and Accountability Plans

LEGISLATIVE ANALYST'S OFFICE

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Hon. Kevin McCarty, Chair





New Funding Formula for School Districts and Charter Schools



Local Control Funding Formula (LCFF) Enacted in June 2013

- Previously, more than 40 state categorical programs provided restricted state dollars that districts could use for only certain activities.
- LCFF removed spending restrictions and established grade-specific base rate targets, which are adjusted for cost of living annually.
- Districts receive supplemental and concentration funding for English learner, low-income and foster youth (EL/LI) students.
- Districts serving the same number of students in the same grade spans with the same characteristics receive the same amount of funding.

Per-Student Funding Under LCFF

Grade Spans	Base Rates ^a	Supplemental Funding ^b	Concentration Funding ^c
K-3	\$7,741	\$1,548	\$3,870
4-6	7,116	1,423	3,558
7-8	7,328	1,466	3,664
9-12	8,711	1,742	4,356

^a Reflects 2014-15 target rates.

^b Equals 20 percent of the associated grade-span base rate. Applies to all English learner, low-income and foster youth (EL/LI) students.

^c Equals 50 percent of the associated grade-span base rate. Applies to districts in which EL/LI enrollment is above 55 percent of total enrollment. Only generated by students above the threshold.

LCFF = Local Control Funding Formula.

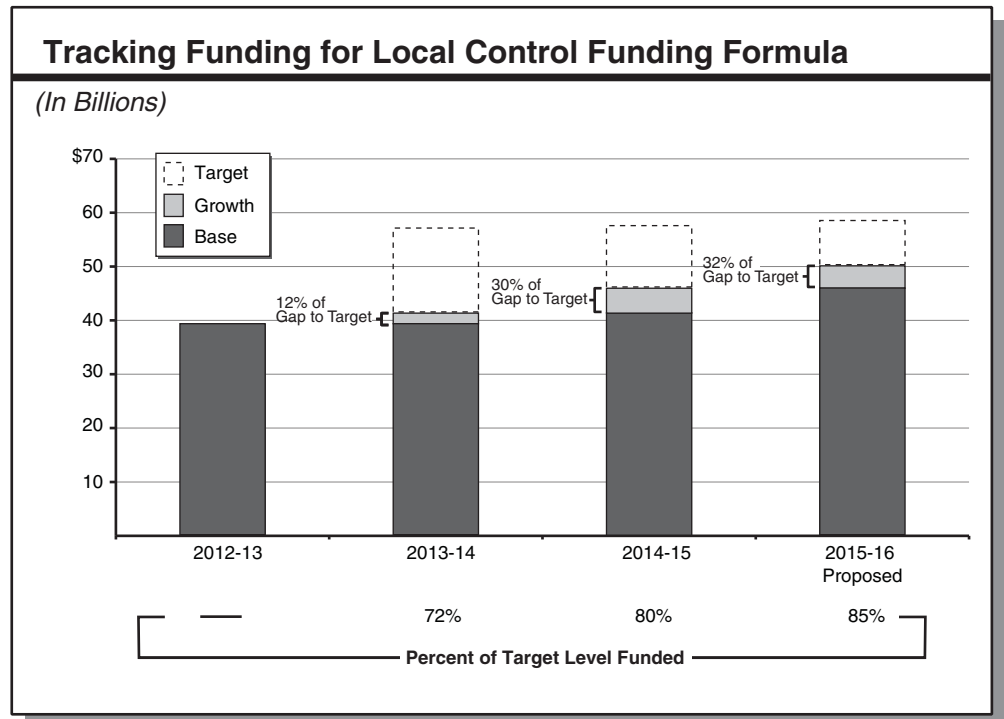


LCFF Implementation



Target LCFF Rates Higher Than Current Funding Rates

- At the time of enactment, funding the LCFF target rates was estimated to cost \$18 billion more than available funding. The state therefore is phasing in LCFF implementation over multiple years as additional funding becomes available. The administration believes full implementation will be reached in 2020-21.
- Over the past two years, the Legislature has provided \$6.8 billion in additional K-12 funds for LCFF implementation. The Governor’s budget for 2015-16 proposes an additional \$4 billion.





LCFF for County Offices of Education (COEs)

☑ Two-Part Formula

- The “Operations” component of the formula supports basic COE operations and services for districts in the county.
- The “Alternative Education” component supports COE alternative schools, including court schools and county community schools. This grant is structured like the district formula, but with different funding rates and concentration thresholds.
- COEs can spend funds generated by the two-part formula for any purpose.

Overview of Local Control Funding Formula for COEs	
<i>2014-15</i>	
Operations Grant	
Funding target	Base funding of \$661,495 per COE. Additional \$110,249 per school district in the county. Additional \$40 to \$71 per ADA in the county (less populous counties receive higher per-ADA rates).
Alternative Education	
Eligible student population	Students who are (1) under the authority of the juvenile justice system, (2) probation-referred, (3) on probation, or (4) mandatorily expelled.
Target base rate	\$11,139 per ADA.
Supplemental funding for EL, LI, and foster youth	Additional 35 percent of COE base grant. ^a
Concentration funding	Additional 35 percent of COE base grant for EL/LI students above 50 percent of enrollment. ^a
^a For court schools, formula calculates supplemental and concentration funding assuming 100 percent of students are EL/LI. COE = county office of education; ADA = average daily attendance; EL = English learner; and LI = low-income.	



COE Formula Fully Implemented



COEs Received \$1 Billion in Total Funding in 2014-15

- Over the past two years, the Legislature has provided \$58 million in additional funds for COE LCFF implementation. This was sufficient to bring any COE formerly below its target rate to the target.
- COEs are funded at the greater of (1) their calculated LCFF target rate or (2) the amount of funding they received in 2012-13. In 2014-15, 20 COEs are funded at their LCFF target rates and 38 COEs are funded above their target rates.



Local Control and Accountability Plans (LCAPs)



State Requires Districts and COEs to Develop Strategic Plans

- LCFF legislation laid out the framework for LCAPs—three-year plans to improve district and COE performance.
- Statute requires districts and COEs to involve teachers, parents, and community members in developing their LCAPs.



LCAPs Must Include Certain Components

- Statute requires districts and COEs to set goals and describe the actions they plan to take to achieve those goals. Statute further requires districts and COEs to identify the associated funding supporting each action.
- For each goal set, statute requires that the district or COE align the goal with one or more of the state priority areas.
- Statute also includes performance indicators (or metrics) for each of the state priority areas.
- For each performance metric, statute requires districts and COEs to establish targets for the coming school year and the next two years.



LCAPs Must Focus on Priority Areas

State Priority Areas and Associated Metrics

Student Achievement

- Performance on standardized tests.
- Score on Academic Performance Index.
- Share of students that are college and career ready.
- Share of English learners that become English proficient.
- English learner reclassification rate.
- Share of students that pass Advanced Placement exams with 3 or higher.
- Share of students determined prepared for college by the Early Assessment Program.

Parental Involvement

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

Basic Services

- Rate of teacher misassignment.
- Student access to standards-aligned instructional materials.
- Facilities in good repair.

Student Engagement

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

Implementation of State Standards

- Implementation of Common Core State Standards for all students, including English learners.
- Implementation of English language development standards.

Other Student Outcomes

- Other indicators of student performance in required areas of study. May include performance on other exams.

Course Access

- Student access and enrollment in all required areas of study.

Coordination of Instruction for Expelled Students

Coordination of Services for Foster Youth

School Climate

- Student suspension rates.
- Student expulsion rates.
- Other local measures.

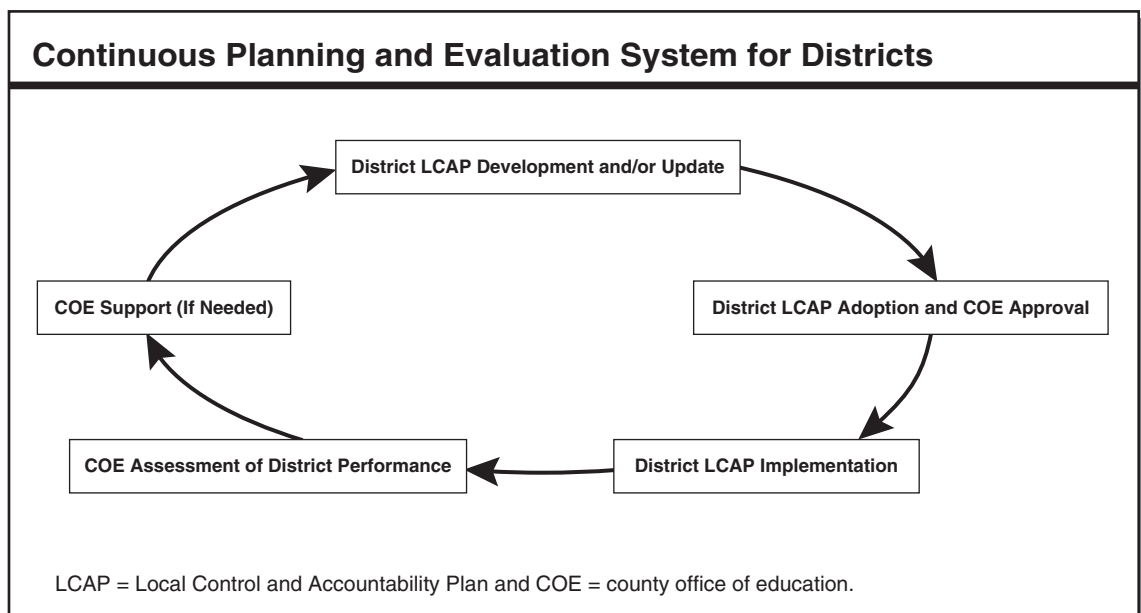
County Office of Education and District Priority Areas

County Office of Education-Specific Priority Areas



New System of Support and Intervention

- ☑ **State Board of Education Developing Criteria for Identifying Struggling Districts and COEs**
 - Struggling districts and COEs are to be identified by new holistic performance assessments known as evaluation rubrics.
 - Statute requires these rubrics to set state-level expectations for districts' and school-sites' performance and improvement in each of the eight district-specific state priority areas.
 - Statute requires COEs, the Superintendent of Public Instruction, and the newly created California Collaborative for Educational Excellence to use the rubrics to determine whether districts require support or intervention.
 - Statute requires the Superintendent of Public Instruction to use the rubrics to determine whether COEs require support.





Review of First Year of LCAPs

Summary of Major Findings and Assessment

	Findings	Assessment
LCAP Design	<ul style="list-style-type: none"> Statute establishes ambitious set of requirements, including requiring districts to set goals for 12 student subgroups and each of their schools. 	<ul style="list-style-type: none"> LCAP has potential as a strategic plan if refined to be more focused on districts' key performance issues.
Goals and Priority Areas	<ul style="list-style-type: none"> Some districts lack overarching goals. Statute appears to emphasize eight state priority areas equally. Districts are prioritizing among them. 	<ul style="list-style-type: none"> Districts' goals not targeted to areas in greatest need of improvement. In some cases, districts do not appear to be carefully considering which priority areas to align with their goals.
Actions	<ul style="list-style-type: none"> Districts pursuing relatively similar actions. Detail of districts' actions varies widely. Some provide step-by-step information, while others only provide general information. Districts vary in extent to which they link funding with actions. 	<ul style="list-style-type: none"> Districts rarely differentiate between new and ongoing actions, making understanding new strategies difficult. Districts vary in which funding sources they include, thereby omitting some actions supported with non-LCFF funding.
Metrics and Targets	<ul style="list-style-type: none"> Districts include some, but not all metrics and targets in their LCAPs. Most districts set single target for all students. Many metrics do not apply to elementary school districts. 	<ul style="list-style-type: none"> Districts rarely include baseline data for metrics, making targets less meaningful.
EL/LI Services	<ul style="list-style-type: none"> Districts' information on EL/LI services varies. 	<ul style="list-style-type: none"> Difficult to determine if and how districts are improving services. Districts often fail to justify rationale for providing districtwide or schoolwide services.
<p>LCAP = Local Control and Accountability Plan; SBE = State Board of Education; LCFF = Local Control Funding Formula; COEs = county offices of education; and EL/LI = English learner, low-income and foster youth.</p>		



Recommendations

- Overall, LCAPs Show Promise as Strategic Plans but Would Be More Useful if Districts Were Allowed to Focus on Their Key Performance Challenges**

- Recommend Legislature Refine LCAP Requirements to:**
 - Emphasize clear strategic plans over detailed, comprehensive plans.
 - Allow districts to focus on key metrics.
 - Clarify metrics in some areas to help monitor performance.
 - Require districts to indicate whether actions are new or ongoing.

- Recommend Legislature Direct the California Department of Education to Disseminate Examples of Model LCAPs**

- Recommend Legislature Monitor Quality of Information Regarding EL/LI Students**



Information About EL/LI Students



Considerable Funding Provided for EL/LI Students

- Under full implementation of LCFF, districts will receive over \$9 billion in supplemental and concentration funding and \$35 billion in total funding for EL/LI students.



Unknown How Much Districts Are Spending in Total on EL/LI Students

- Statute does not require districts to measure or report their EL/LI-specific expenditures.
- Current accounting system is not designed to capture the type of data needed to isolate total EL/LI expenditures.



Districts Supplemental Expenditures Also Unknown

- No state definition to distinguish between base and supplemental services.
- Statute does not require districts to use their supplemental and concentration funding exclusively for EL/LI students.



Information on EL/LI Services Available but Not Compiled and Reported Statewide

- Statute requires districts to describe services they will provide EL/LI students in their LCAPs.
- The state is not compiling the data in LCAPs into a central depository.



In Future Years, State Could Use Performance Data to Identify Successful Strategies for Serving EL/LI Students

- Given LCFF shifted the focus to outcomes—rather than inputs—to help students improve, the state likely will want to examine EL/LI performance data carefully.