

Equity Multiplier and Accountability Proposals

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SUMMARY

Governor's Package Intended to Increase Funding for Highest-Poverty Schools, Improve Outcomes for Low-Performing Schools and Subgroups. The Governor's budget includes \$300 million ongoing for the highest-poverty schools, which must be used to supplement, not supplant, existing spending. The proposed budget also includes several changes related to Local Control and Accountability Plans (LCAPs) that are intended to bring greater attention to the highest-poverty schools, as well as low-performing schools and student subgroups. Finally, the proposed budget includes several modifications to the support provided to districts and county offices of education (COEs) identified in need of assistance.

Additional Funding Is Not the Key Issue, Recommend Rejecting Funding Increase. We find that more attention to school sites and subgroups is warranted. Initial studies evaluating the effectiveness of the Local Control Funding Formula (LCFF) have shown evidence that additional funding has led to improved outcomes for districts with larger shares of supplemental and concentration funding, but has not resulted in the same levels of improvement for the lowest-performing schools or subgroups within districts. However, it is not clear how the additional funding from the equity multiplier would address any specific issues that cannot be addressed with LCFF supplemental and concentration funding. We find that the key issue is increasing transparency to ensure existing funding actually targets the highest-need schools and student subgroups. We recommend the Legislature consider options to provide greater transparency regarding how funding is spent across schools. In particular, we recommend using the number of teachers, teacher experience, and teacher qualifications as a proxy. We also recommend the Legislature clarify whether supplemental and concentration grant funding can be used to target low-performing racial groups. In our conversations with several school districts and COEs, we found differing opinions regarding whether this was allowable.

Proposed LCAP Changes Have Merit, but Will Make LCAPs Longer. We find the Governor's proposed LCAP changes would bring greater attention to lower performing schools and subgroups. We recommend a few minor modifications to these proposals to bring greater attention to the issues of teacher qualifications and experience. Although these proposed changes have merit, they likely will make LCAPs—documents that are typically over 100 pages—even longer. Moving forward, the Legislature could consider changes that would streamline the LCAP so it's more accessible to families and communities, while moving key details to other more appropriate mediums.

Governor's Proposals Would Improve System of Support, but Further Changes Needed. The Governor's budget proposes notable improvements to the system of support by specifying when a district is to receive support from its geographic lead or the California Collaborative for Educational Excellence (CCEE). These changes would help ensure local education agencies (LEAs) receive support from other entities involved in the system, which is particularly important in cases where little to no improvement has occurred. To ensure assistance is well targeted and builds upon the district's previous work, we recommend further defining the type of support geographic leads will provide to LEAs when in differentiated assistance for three or more years. With regard to the proposed new equity lead, we question how this support will be different or more effective than other assistance provided through existing system of support entities. If the Legislature adopts the proposal, we recommend clearer and narrower objectives for these entities to avoid duplication of effort across the system of support. We also recommend the Legislature clarify that all the entities within the system of support (not just the equity leads) should be supporting districts in addressing its racial disparities.

INTRODUCTION

In 2013, the state created LCFF with the goal of simplifying school funding and distributing funding based on student demographics. In conjunction with creating the LCFF, the state established a new system of transparency and accountability that requires local planning and provides support to districts with low-performing student groups. The Governor’s budget proposes an ongoing

funding increase, within the state’s constitutional requirement for schools under Proposition 98, for high-poverty schools. The budget also includes several changes to the system of transparency and accountability. In this brief, we provide background on these issues, describe the Governor’s proposals in more detail, and provided our comments related to these proposals.

BACKGROUND

Student Demographics and Outcomes

Almost Six in Ten California Students Are Identified as Low Income. In 2021-22, 58 percent of California’s public school students were eligible to receive a free or reduced price school meal through the National School Lunch Program. States frequently use this eligibility measure as an indicator of a student coming from a low-income family. Free meal eligibility is for students from families earning no more than 130 percent of the federal poverty level (\$36,000 for a family of four). Reduced price eligibility is for students from families earning no more than 185 percent of the federal poverty level (\$51,000 for a family of four).

More Than Half of California Students Are Latino. As **Figure 1** shows, 56 percent of California public school students are Latino, while roughly one in five are white. The next largest groups are Asian (9 percent) and Black students (5 percent). The remaining groups each represent less than 5 percent of the state’s student population. Compared with the rest of the nation, California has relatively higher shares of Latino and Asian students, and smaller shares of white and Black students.

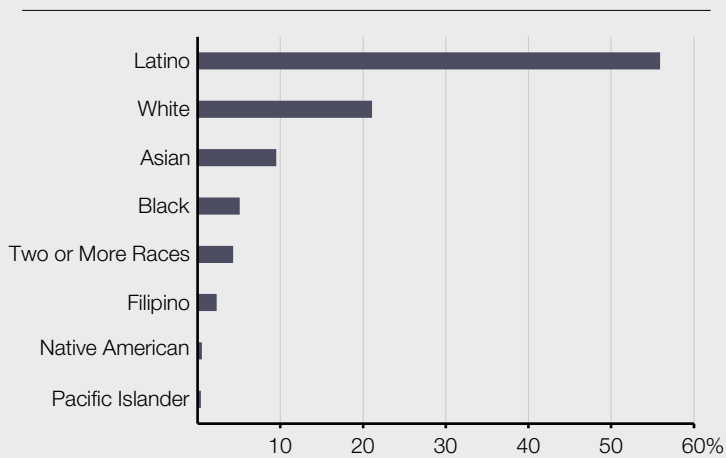
Significant Disparities in Education Outcomes by Income and Race.

The state has significant disparities in the education outcomes of various

student groups. For example, 46 percent of non-low-income 8th graders met or exceeded the state standards for math, compared with 18 percent of low-income students. Significant disparities also exist in the outcomes of different racial groups. As **Figure 2** shows, these disparities between racial groups exist even when accounting for income. In fact, the share of low-income white students that met or exceeded state standards in math (25 percent) is slightly higher than the share for non-low-income Black students (23 percent). Similar disparities exist in English language arts and at other grade levels.

Figure 1

Racial Make-Up of California's Students

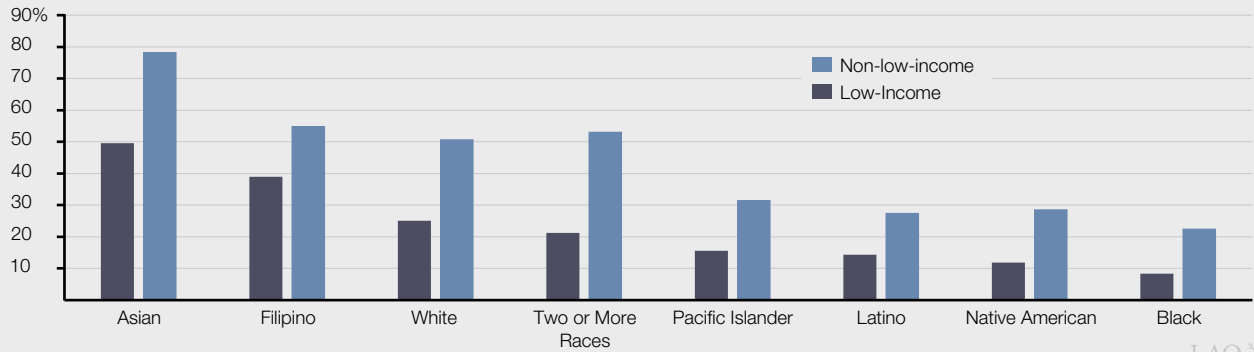


Note: 1 percent of students did not report.

LAO

Figure 2

Significant Disparities in Student Achievement
Percent of Students That Met or Exceeded Standards in 8th Grade Math



Significant Disparities in Other Indicators.

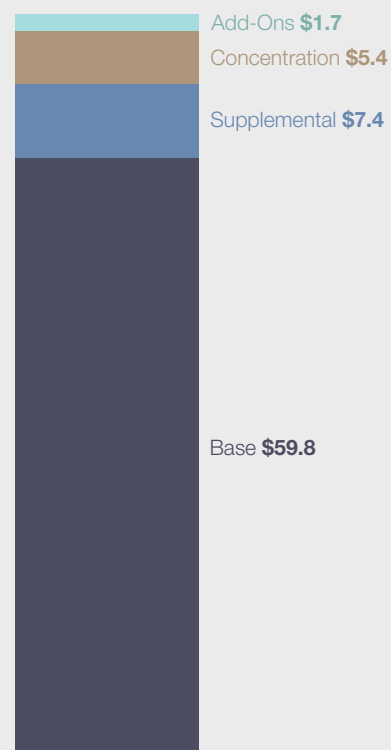
Disparities based on income and race exist for essentially all indicators the state collects. For the cohort of students that entered high school in fall 2017, 35 percent of low-income students graduated having completed the minimum coursework required for eligibility into the University of California or California State University. This compares with 62 percent of those who are not low income. The state also has large disparities in suspension rates, where rates for Black and Native American students are more than twice the state average.

Local Control Funding Formula

LCFF Is State’s Primary Funding Formula for Schools. The LCFF is the primary source of funding for school districts, charter schools, and COEs, referred to as LEAs. The formula for school districts and charter schools consists of base, supplemental, and concentration grants, as well as several smaller add-ons. (The formula for COEs also includes funding that is intended for COEs to monitor and assist school districts in a variety of ways.) LEAs pay for most of their general operating expenses (including employee salaries and benefits, supplies, and student services) using these funds. Decisions regarding how funds will be spent, including how funding is allocated across school sites, are made by local governing boards. As **Figure 3** shows, in 2022-23, the state is estimated to spend more than \$74 billion on LCFF

Figure 3

Components of LCFF for School Districts and Charter Schools
2022-23 (In Billions)



Note: Does not include LCFF for county offices of education.
LCFF = Local Control Funding Formula.

for school districts and charter schools. (The state also is providing more than \$1 billion for COEs.) We describe the three major components for school districts and charter schools below.

- **Base Grants.** The base grant provides per-student funding that varies by grade span. This includes two grade span adjustments—one for smaller class sizes in grades K-3 and one to acknowledge costs of providing career technical education in high schools. Beginning in 2022-23, this also includes additional funding for students in transitional kindergarten.
- **Supplemental Grants.** School districts and charter schools receive an additional 20 percent of the adjusted base grant rate for each student that is an English learner, low income, or foster youth. (In the remainder of this brief, we refer to these students as EL/LI students.) A student who belongs to two or more of these subgroups generates the same funding rate as a student who belongs to only one of these subgroups.
- **Concentration Grants.** Each EL/LI student above 55 percent of enrollment generates an additional 65 percent of the adjusted base rate.

LEAs Must Use Supplemental and Concentration Grant Funding to Increase or Improve Services. Base grant funding can be used by LEAs for any educational purpose. LEAs must use their supplemental and concentration grant funding to proportionally increase or improve services for their EL/LI students, relative to the base amount of funding they receive. Statute also allows districts to use supplemental and concentration funding on a districtwide or schoolwide basis. The State Board of Education (SBE) is required to develop regulations implementing these provisions. The existing regulations allow districts to reflect their increase or improvement in services in quantitative or qualitative ways. Districts must report the total amount of supplemental and concentration funding they expect to receive, as well as describe how they plan to use their supplemental and concentration funding to principally benefit EL/LI students.

If districts choose to use supplemental funding for a schoolwide or districtwide purpose, they must explain how this approach will benefit EL/LI students.

Other Targeted Spending

State Receives Federal Funding to Provide to Certain Student Groups. In addition to state funding, the federal government provides ongoing funding for several education programs focused on addressing poor student performance and poverty. Most notably, the federal government supports supplemental educational services for EL/LI students through the federal Every Student Succeeds Act (ESSA). Within ESSA, the federal government provides \$1.9 billion in Title I, Part A funding for supporting low-income students, \$143 million in Title III funding to support English learners, and \$133 million to support schools with the lowest academic performance and with low graduation rates. During the pandemic, the federal government also provided a total of \$21 billion in one-time federal relief funding for schools. This funding can be used for a variety of activities, including for distance learning, costs associated with COVID-19, and supplementing funding for activities funded with federal education dollars (such as supporting EL/LI students). For the majority of these funds, LEAs have until September 30, 2024 to commit the funds to specific activities.

State Has Funded Variety of One-Time Grants to Improve Student Outcomes. In recent years, the state has funded several initiatives intended to improve outcomes for various student groups. Most notably, the state provided \$7.9 billion in one-time funding in 2022-23 for a learning recovery grant that supports academic learning recovery and the social and emotional well-being of students and staff. Funding was distributed to LEAs based on their number of EL/LI students. In 2018-19, the state provided \$300 million for the Low-Performing Students Block Grant. Districts received funding if they had students who were both low performing and not generating LCFF supplemental funding or special education funding. The state also provided \$2.5 million in 2017-18 for the California Equity Performance and Improvement Program

which provided grants to build capacity in LEAs and school sites to implement evidence-based programs and practices targeted at improving outcomes for low-performing student subgroups. The state has provided one-time funding for various other activities, including efforts to increase college readiness at certain high schools, provide additional support for refugee students, and better coordinate services for foster youth.

Transparency and Accountability

System Based on State Priority Areas and Associated Performance Measures.

In conjunction with creating the LCFF, the state established a new system of transparency and accountability centered around eight state priority areas. Statute directs SBE to address many implementation details, including setting specific performance measures in the state priority areas. The priority areas and associated measures are shown in **Figure 4**. Some priority areas focus on academic success (such as student achievement and course access), while others address issues outside of academics (such as parental involvement and school climate). Seven of the performance measures are metrics where the state requires data to be consistently collected and reported. The remaining six measures are local indicators for which LEAs report locally developed metrics or qualitative information describing their progress in the priority area. In addition to the measures listed in the figure, COEs are required to report information on two additional local measures—coordination of services for foster youth and coordination of services for expelled students.

LEAs Must Adopt LCAPs That Set Goals and Specify Actions. To provide transparency regarding how LCFF funding is spent, the state requires LEAs to develop and adopt LCAPs every three years and update the plan annually, with specific requirements for stakeholder engagement. LEAs must use a template developed by SBE for their LCAP. In their LCAPs, LEAs must set goals in the eight state priority areas and specify actions they will take to meet these goals. The plans must also include specific metrics for tracking their progress in meeting the established goals. (In addition to the required state and local measures, LEAs may include other performance measures in their LCAPs.) For any actions described in an LCAP, the LEA must also include funding for this purpose in its adopted budget.

Figure 4

State Priority Areas and Associated Performance Measures

	State Measure	Local Measure
Basic Conditions of Learning		
Access to instructional materials, appropriately assigned teachers, and facility conditions		X
Implementation of State Standards		
Implementation of academic standards		X
Parent Engagement		
Parent and family engagement		X
Student Achievement		
English Language Arts assessment	X	
Mathematics assessment	X	
English learner progress	X	
College and career readiness	X	
Student Engagement		
High school graduation rate	X	
Chronic absenteeism	X	
School Climate		
Suspension rate	X	
Local climate survey		X
Course Access		
Access to a broad course of study		X
Other Student Outcomes		
— ^a		X

^a The state has not adopted specific indicators that districts must use for this priority area. Districts may choose to include specific measures as part of their local planning process.

COEs Must Review and Approve a School District’s LCAP. Each district must submit its LCAP to its COE for review. The COE must approve a district’s LCAP if it determines that (1) the LCAP adheres to the required template, (2) the district’s budgeted expenditures are sufficient to implement the strategies outlined in the LCAP, and (3) the LCAP adheres to the expenditure requirements for supplemental and concentration funding. As part of its review, the COE can then seek clarification from the district about the contents of its LCAP. If a COE seeks such clarification, a district must respond in writing. Based on a district’s response, the COE can submit recommendations for amendments to the LCAP back to the district. The district must consider any COE recommendations at a public hearing, but the district is not required to make changes to its plan. The annual deadline for approval or rejection of a district’s LCAP by a COE is October 8. The California Department of Education (CDE) must review and approve each COE’s LCAP, following a similar process used to review and approve district LCAPs. Charter schools are not required to have their LCAPs reviewed and approved by a COE.

State Displays School Performance Through California School Dashboard. The state publicly displays achievement on the performance measures on a website known as the California School Dashboard. Performance is shown for each LEA and school. In addition, performance for each LEA and school is disaggregated by up to 13 student subgroups. (Figure 5.) For homeless and foster youth, performance data is shown if it includes 15 or more students. For all other subgroups, performance data is shown if it is at least 30 or more students. The dashboard was first made available in fall 2017 and was intended to be updated annually. However, the state suspended these annual updates in 2020 and 2021 given much of this data was not collected due to the pandemic.

Dashboard Uses Five Performance Levels. For each performance indicator shown by LEA, school, or subgroup, the dashboard assigns one of five performance levels. Prior to the pandemic, the performance levels were based on a combination of overall status and growth in the measure. Because the state did not collect data in 2020 and 2021,

performance levels on the 2022 dashboard are only based on performance on the most recent year of data. (Due to these data issues, the College and Career Indicator is not available in 2022.)

Dashboard Used to Identify Districts and COEs in Need of “Differentiated Assistance.” Districts and COEs are identified for differentiated assistance based on the performance of their student subgroups. Under current practice, a district or COE enters differentiated assistance if they have at least one student group that has received the lowest performance level in two or more priority areas. In 2022, 628 districts and COEs were identified for differentiated assistance. The most common student group for which districts and COEs were identified was students with disabilities. Once a district is identified, it receives assistance from its COE. (Identified COEs receive assistance from either CDE, a consortium of COEs, or another COE.) The COE is to do one of three things: (1) conduct a “root cause” analysis to assess a district’s strengths and weaknesses and identify the primary causes of its performance issues, (2) secure an academic, programmatic, or fiscal expert, or (3) ask for assistance from CCEE, which we discuss below. The state provides COEs with additional funding for their differentiated assistance activities through a formula based in part on the number of districts in need of assistance. In 2022-23, the state provided COEs \$70 million for this purpose.

Figure 5

Student Subgroups for Which Outcome Data Is Reported

Racial Subgroups

- Asian
- Black
- Filipino
- Latino
- Native American
- Pacific Islander
- Two or more races
- White

Other Subgroups

- English learners
- Foster youth
- Homeless youth
- Socioeconomically disadvantaged
- Students with disabilities

Other Regional and Statewide Entities Provide Support to Districts. In addition to COEs, several other regional and statewide entities are tasked with supporting districts identified for differentiated assistance.

- **Geographic Leads.** Nine COEs serve as geographic lead agencies. In this role, COEs are to help build capacity of other COEs within their region to effectively provide differentiated assistance. Geographic leads are also to identify existing resources and develop new resources in collaboration with CDE and CCEE, and directly support identified districts when requested by a district or COE. The state provides \$4 million annually for the geographic leads.
- **Special Education Local Plan Area (SELPA) Leads.** Three SELPAs serve as “system improvement leads” to support and build capacity for SELPAs and LEAs to improve outcomes for students with disabilities. Four different SELPAs serve as content leads that support SELPAs to build capacity in specific areas. For example, Placer County SELPA provides support to SELPAs regarding assistive technology (and a few other areas). The state provides \$10 million annually for these leads.
- **CCEE.** CCEE advises and assists school districts, COEs, and charter schools in achieving their LCAP goals. In practice, CCEE

provides training, collaborates with COEs, and directly supports identified districts. The state provides \$12.4 million annually for CCEE.

Superintendent May Intervene Under Certain Circumstances. State law authorizes the state Superintendent of Public Instruction (SPI) to intervene in a school district or COE that is persistently underperforming. Specifically, the SPI may intervene if (1) an LEA has been in differentiated assistance for three or more subgroups for three out of four consecutive years and (2) CCEE has provided assistance but continued inadequate performance or failure to implement recommendations requires the SPI’s intervention. The SPI’s intervention may include making changes to the LCAP, imposing a budget revision, staying or rescinding an action, or appointing an academic trustee.

Differentiated Assistance Recently Evaluated. In 2021, the state provided \$400,000 for CDE to contract for an evaluation of the state’s system of differentiated assistance, which was released January 2023. The authors report that differentiated assistance shows early signs of improving student outcomes, but has room for improvement. The report made several recommendations to improve differentiated assistance, such as extending support from one year to two and developing a multiyear structure for districts that get identified year after year.

GOVERNOR’S PROPOSALS

The Governor’s budget includes a package of proposals intended to provide additional funding for high-poverty schools and improve outcomes for low-performing schools and student groups. We describe these in more detail below.

Provides \$300 Million Ongoing Proposition 98 Funding for an “Equity Multiplier.” This funding will be allocated to LEAs based on enrollment at high-poverty schools. Specifically, LEAs will receive funding for elementary and middle schools where 90 percent or more students qualify for free meals under the federal requirements for the National School Lunch Program, and for high schools where

85 percent or more of their students qualify for free meals. Funding would be based on prior-year enrollment, with no school receiving less than \$50,000. LEAs must use this funding for services and supports that directly benefit the school sites that generate the funding. Beginning in 2024-25, the state would apply the same annual cost-of-living adjustment provided to other K-12 education programs. Trailer bill language specifies equity multiplier funding must be used to supplement, not supplant, the funding already provided to eligible school sites.

Makes Several Changes to LCAPs and Adoption Process. The Governor proposes several changes to the content of LCAPs and their adoption process. The proposals are described in **Figure 6**. These changes are intended to bring greater attention to equity multiplier schools, low-performing schools and subgroups, and to connect the LCAP with activities in differentiated assistance.

Makes Changes to Differentiated Assistance and System of Support. The Governor’s budget includes several modifications to differentiated assistance, such as changing the amount of time a district eligible for differentiated assistance receives support and specifying when the geographic lead and CCEE are to support a district. **Figure 7** describes these changes in more detail.

Creates an Equity Lead in System of Support. Through a competitive process, CDE and CCEE would identify two to four LEAs across the state to serve as equity leads. Equity leads will prioritize working with LEAs with schools receiving equity multiplier funding. These entities are to support LEAs through activities such as identifying barriers to meeting the needs of students, identifying resources to address disparities, and monitoring the impact of LCAP goals. Although no funding is included in the Governor’s January budget for the equity lead, the administration has indicated funding will be included as part of the May Revision.

Figure 6

Proposed Changes to LCAPs

Category	Current Requirements	Proposed New Requirements
LCAP updates	Adopt an LCAP every three years in a public hearing and update annually on or before July 1.	Present a midyear report on the LCAP to the governing board, no later than February 28. Report must include a midyear update for metrics identified in the current LCAP and midyear expenditure and implementation data on all actions identified in the LCAP.
Goals	<p>Develop a goal specific to a student subgroup if the district or COE has been in differentiated assistance for three or more consecutive years based on that student subgroup.</p> <p>Develop a goal specific to a school site if, for two consecutive years, (1) the school received the two lowest performance levels on all but one of the applicable state indicators on the California School Dashboard and (2) the performance level of the LEA is at least one performance level higher on all of those indicators.</p>	<p>Replace current requirements for specific goals with focused goals. Develop focused goals for: (1) schools receiving equity multiplier funding; (2) schools that received the lowest performance level based on one or more state indicators; and (3) student subgroups that received the lowest performance level based on one or more state indicators, either LEA-wide or at a school.</p> <p>Focused goals for equity multiplier schools must be specific to improving performance for low performing student subgroups and addressing any issues with teacher credentialing and preparation.</p>
Actions	Review progress towards meeting goals specified in LCAPs. Assess the effectiveness of actions taken and describe any changes to actions as a result of the review and assessment.	Change actions that have not been effective towards meeting their intended goal over a three year period.
LEA-wide actions	Provide additional justification for allocating supplemental and concentration grant funding on a districtwide, charterwide, or countywide basis. Must show that funding is used to improve or increase services for students.	Identify one or more specific metrics to monitor the intended outcome of actions and budgeted expenditures at the districtwide, charterwide, and countywide level.
Summary of differentiated assistance	None.	Include summary of differentiated assistance activities in LCAP.

LCAPs = Local Control and Accountability Plans and LEA = local education agency.

Figure 7

Proposed Changes to the System of Support

	Current Requirements	Proposed Changes
Duration of differentiated assistance	Eligibility for assistance is determined annually, based on most recent data.	Once eligible, assistance is provided for at least two years, even if improvement occurs after one year.
Differentiated assistance activities	Can include a review of performance data to identify effective, evidence-based programs or practices to address any areas of weakness.	Also can include review of most recent LCAP.
Role of geographic leads	Geographic leads support COEs in providing differentiated assistance.	Geographic leads must provide assistance to a district if in differentiated assistance for three or more years based on the same subgroup.
Assistance from CCEE	Eligible for assistance from CCEE if requested by the COE.	Automatically referred to CCEE if identified for differentiated assistance in three of four years for three or more student groups.
Release of School Dashboard data	No specific statutory requirement. Data used to identify districts for differentiated assistance is typically released by the end of the calendar year.	Data must be released by December 1 in 2023. Deadline slowly moved up, such that in 2026 data must be released by October 15.

LCAP = Local Control and Accountability Plan; COEs = county offices of education; and CCEE = California Collaborative for Educational Excellence.

LAO COMMENTS

Equity Multiplier and LCAP Changes

More Attention to School Sites and Subgroups Is Warranted. Initial studies evaluating the effectiveness of LCFF have shown evidence that additional funding has led to improvements in student outcomes for districts that received greater shares of supplemental and concentration funding. These districtwide improvements, however, did not necessarily result in the same levels of improvement for the lowest-performing schools or subgroups within districts with relatively high shares of EL/LI students. Furthermore, a 2021 Public Policy Institute of California report found that statewide only about 55 percent of supplemental and concentration grant funding was used at specific school sites that generated the funding. (Some of the remaining funding could have been used for districtwide activities that benefits those schools.) This is consistent with broader education research that documents disparities in spending across school sites. High-poverty schools are more likely to have less experienced, lower-paid staff, which often offsets the additional targeted spending that districts provide to these schools.

Additional Funding Is Not the Key Issue, Recommend Rejecting Funding Increase.

We estimate that the \$300 million for the equity multiplier would be allocated to about 800 school sites, with an average of about \$860 per student. This compares with an estimated \$13 billion and roughly \$3,400 per student the state provides per EL/LI student through supplemental and concentration grant funding districts and charter schools will receive in 2022-23. Of the roughly 800 school sites that we estimate will qualify for the equity multiplier, 98 percent are in LEAs that receive concentration grant funding through LCFF. LEAs already are expected to use their supplemental and concentration grant funding to target high-poverty schools. It is not clear how the additional funding from the equity multiplier would address any specific issues that cannot be addressed with supplemental and concentration funding. For these reasons, we recommend rejecting the additional funding increase. As we discuss below, the Legislature can take action that increases transparency and ensures existing LCFF funding is targeted to the highest need schools and student subgroups.

Recommend Greater Transparency to Ensure Existing Funding Actually Targets the Highest-Need Schools. Rather than provide more funding, we recommend the Legislature consider options to provide greater transparency regarding how funding is spent across schools. This would help the state determine if districts are targeting schools with the greatest need. Tracking spending at the school level, however, can be quite burdensome and difficult to standardize across school districts. Given most school funding is spent on staff salaries and benefits, we recommend the state instead require LEAs to publicly report for each of their schools the (1) share of teachers that are fully credentialed and properly assigned, (2) share of teachers with less than three years of experience, and (3) student-to-teacher ratio. The state could also require similar reporting for other school staff, such as counselors, psychologists, and aides. This information would give the public and the state a good sense of how funding is spread across schools. We also would recommend that any LEAs with low-performing schools be required to review the disparities in staffing levels and experience across the LEA and take actions to address them.

Clarity Needed on Whether Spending on Low-Performing Racial Groups Can Count Towards Increasing or Improving Services. In our conversations with several school districts and COEs, we found differing opinions regarding whether LEAs could use LCFF supplemental or concentration funding to increase or improve services specifically for a low-performing racial group. We think activities targeting low-performing racial groups is consistent with the intent of LCFF to close achievement gaps, particularly given that lower-performing racial groups are also more likely to be low income than the state average. The Legislature may want to ask the administration to report on whether they think targeting specific low-performing racial groups is allowable under current law and regulations. At that point, the Legislature could determine whether statutory changes are necessary or whether the state could address the issue by providing additional guidance to LEAs.

Recommend Minor Modifications to Proposed LCAP Changes. We find the Governor's proposed LCAP changes would help encourage LEAs to bring greater attention to lower-performing schools and subgroups. In particular, the proposed focused goals required for low-performing schools and subgroups would bring greater attention to actions that would help students with the greatest needs. Additionally, requiring LEAs to review the effectiveness of their actions over a three-year period is aligned with the three-year LCAP process and can help ensure LEAs are making changes when actions do not have their intended effects. We recommend the Legislature adopt the proposed changes, with a few modifications.

- **Focused Goals.** The Governor's proposal requires that focused goals for equity multiplier schools address teacher credentialing and preparation, to the extent this is an issue in the school. We recommend this requirement apply to all focused goals related to low-performing schools and subgroups. Consistent with our previous recommendation, we also recommend requiring that all focused goals for low-performing schools address disparities in the experience of teachers across the LEA. This will provide greater transparency with how LEAs address disparities in their workforce across schools. Finally, we also recommend requiring LEAs to keep focused goals for a school or subgroup for at least three years, or until the LCAP cycle is completed. This would ensure LEAs' actions to address the needs of the school or student group are sustained over multiple years.
- **Midyear LCAP Update.** The Governor's proposed changes would require a midyear update on LCAPs at a public hearing on or before February 28 each year. We recommend the Legislature clarify that the midyear update must only include updated metrics to the extent they are available. This would minimize the administrative burden for LEAs.

Moving Forward, Explore Ways to Shorten LCAPs. Although the proposed LCAP changes have merit, they are likely to result in LCAPs being longer. LCAPs are already very long documents, typically more than 100 pages and often more than 200 pages for larger districts. We have heard concerns from stakeholders and LEAs that the length and complexity of these documents makes it difficult to engage families and community members. Moving forward, the Legislature could consider changes that would streamline LCAPs so they are more accessible to families and communities, while moving key details to other more appropriate mediums. For example, the Legislature could explore moving detailed LCAP expenditure data to an interactive online portal that would allow users to determine the level of detail they want to review. The Legislature could also require added features to the California School Dashboard that allow users to see outcome data by school or subgroup—data that is commonly listed in LCAPs in a text-based format—using graphics that are more user-friendly and allow disaggregation and manipulation of the data.

System of Support Changes

Requiring Greater Involvement of Geographic Leads and CCEE Is an Improvement Over the Current Practice. The Governor’s budget proposes notable improvements to the system of support by specifying when a district is to receive support from its geographic lead or CCEE. Current law does not specify when other system of support entities are to provide additional assistance or support for districts who have been in differentiated assistance for many years and continue to have low-performing subgroups. The administration’s proposed changes help ensure LEAs receive support from other entities involved in the system, which is particularly important in cases where little to no improvement has occurred.

Clarify Type of Support Geographic Leads Will Provide. To ensure the assistance provided is well targeted and builds on the LEA’s previous work, we recommend further defining the type of support geographic leads will provide to LEAs when in differentiated assistance for three or more years. Specifically, we recommend requiring their assistance be more intensive compared to differentiated assistance provided by the COE. For example, assistance could focus on supporting LEAs to develop a strategy for closing achievement gaps and implementing strategies addressing the specific needs of low-performing subgroups. This support should take into consideration the strategies the LEAs already have implemented.

Role of Equity Lead Is Duplicative of Other Agencies. The administration indicates the equity leads would support LEAs by analyzing programs, identifying barriers, and implementing actions that address the needs of all students. These activities are very similar to the support COEs, geographic leads, and CCEE already provide through differentiated assistance. While equity leads have the added task of providing support that addresses racial disparities, we question how this support will be different or more effective than other assistance provided through system of support entities. Focusing on racial disparities should be a central part of differentiated assistance since many districts are identified for having performance issues among specific racial groups. If the Legislature adopts the Governor’s proposal to create equity leads, we recommend the state have a clearer and narrower objective for these entities. This will ensure that the support equity leads provide is not duplicative of other entities within the system of support. For example, the Legislature could specify the equity lead is tasked with providing training to COEs to ensure equity is at the center of differentiated assistance and incorporated into all improvement initiatives. We also recommend the Legislature clarify that all the entities within the system of support (not just the equity leads) should be supporting districts in addressing its racial disparities.

LAO PUBLICATIONS

This report was prepared by Michael Alferes and Sara Cortez, and reviewed by Edgar Cabral and Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

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