



Local Control Funding Formula

What it is and what it means
to Larkspur-Corte Madera
School District

September, 2013

HISTORY OF STATE FUNDING

- 1968: *Serrano v. Priest* court case challenges locally funding public schools
- 1972: Revenue limits established - Begins shift from local to state control of school finance
- 1977: AB65 established several new categorical programs
- 1978: Proposition 13 – Capped AV growth at 2% per year
- 1979-1984: GANN Limit (Prop 4 and Lottery Initiative)
- 1988: Proposition 98 – Guarantees minimum funding level from state and property taxes for K-14 public schools.
- 1991-2004: State lawmakers act to hold districts accountable for local school decisions - more restricted categorical programs, increased fiscal oversight authority for county offices
- 2008-09: Categorical Flexibility in response to national economic crisis
- 2013: Local Control Funding Formula (LCFF) - Released with Governor Brown's 2013-14 Budget. As described by the Governor,

“Subsidiarity is the idea that a central authority should only perform those tasks which cannot be performed at a more immediate or local level.”

Source: EdSource.org

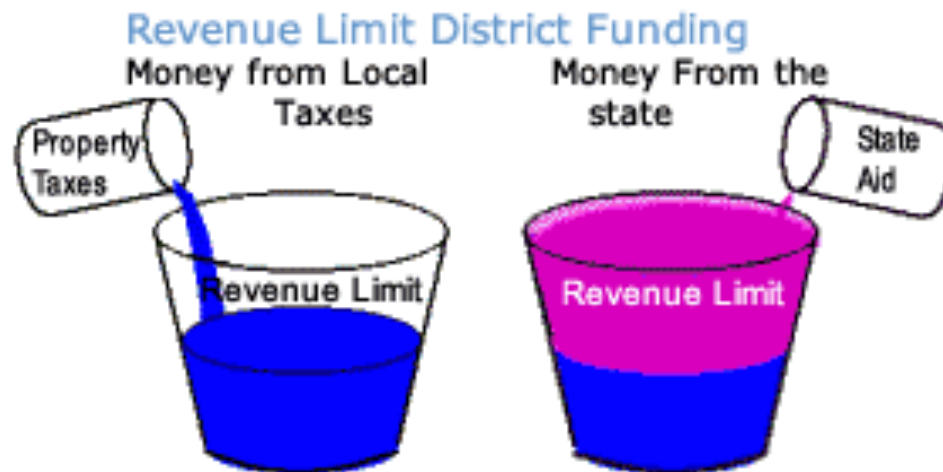
Key Issues under LCFF

With Local Control Comes Local Responsibility

- Early Planning
- Communication
- Accountability
- Measurable Outcomes
- Budget aligned with educational goals
- Budget approval tied to approval of LCAP

What's the Same?

- Average Daily Attendance Funding
- State Funds After Local Property Taxes



LCFF Funding Elements

- ADA Funding Targets
 - Grade Level Base Grants
 - K-3, 4-6, 7-8, 9-12
 - Grade Span Adjustments
 - K-3 Class Size (10.4%)
 - 9-12 Originally for CTE (2.6%)
- Needs Based Supplemental Funding
 - Percentage of enrollment
 - Supplemental funding equal to 20% Base Grade Span
 - Concentration funding equal to 50% Base Grade Span for percentage greater than 55% of enrollment

The "Formula"- How it works in LCMSD

Education Code	PART I - LOCAL CONTROL FUNDING FORMULA						
42238.02(b)	CALCULATE LCFF TARGET						
	Unduplicated as % of Enrollment					10.17%	2013/14
		ADA	Base	Gr Span	Supp	Concen	TARGET
(d)(1)(A); (d)(3); (e); (f)	Grades K-3	658.99	6,952	723	156	-	5,160,545
(d)(1)(B); (e); (f)	Grades 4-6	452.77	7,056		143	-	3,259,521
(d)(1)(C); (e); (f)	Grades 7-8	285.18	7,266		148	-	2,114,300
(d)(1)(D); (d)(4); (e); (f)	Grades 9-12	-	8,419	219	176	-	-
(i)(3)(B), 42238.05(a)(2)	Subtract NSS	-	-	-			-
(i)(3)(A)	NSS Allowance		-				-
	TOTAL BASE	1,396.94	9,848,161	476,449	209,755	-	10,534,365
42238.02(g)	Targeted Instructional Improvement						-
42238.02(h)	Transportation						12,118
42238.02(i)	LOCAL CONTROL FORMULA FUNDING (LCFF) TARGET						10,546,483

Source: LCMSD 2013-14 Adopted Budget

LCFF Funding Elements

- Unduplicated Counts
 - CALPADS data
 - California Longitudinal Pupil Achievement Data System
 - Based on percentage of enrollment
 - Eligible students counted once
 - English Learners
 - Free & Reduced Priced Meals (Low Income)
 - Foster Youth

LCFF Funding Elements

- K-3 Class Size Adjustment
 - Different from Class Size Reduction
- During implementation of the LCFF, and as a condition of receipt of this adjustment, districts will be required to either:
 - Have a class size ratio of 24:1 or less at each school site in 2013-14 and maintain that ratio in the future,
 - Collectively bargain an alternative class size ratio for this grade span, or
 - Show adequate progress toward meeting the goal of 24:1 each year until full implementation of the LCFF.

LCFF Funding Elements

- Add-Ons (no COLAs)
 - Targeted Instruction Improvement Grant (N/A for LCMSD)
 - Home-to-School Transportation
 - Ongoing Maintenance of Effort on Funds Received
 - No less than the amount of funds the school district expended for home-to-school transportation in the 2012–13 fiscal year
 - Maintenance of Effort for JPAs
 - 2013-14 and 2014-15 only

Basic Aid Districts

- No Change to their ability to keep excess taxes
 - Guaranteed same state funding as received in 2012-13
 - Categoricals under LCFF lose their restrictions
 - No strings attached
- Some basic aid districts will become state funded
 - Result of additional state funding
 - Result of LCFF formula
 - Result of growth in enrollment

LCFF Transition Elements

- Hold Harmless
 - Districts, charters and COEs to receive no less than total state revenue received in 2012-13, including most categoricals
- Transition Funding
 - Projected over 8 years
 - Funded through projected growth in Prop 98
- Accountability Plan
 - More on this later....

Transition Funding *(the not so simple part...)*

- Starts with historical funding for state aid, including most categoricals
- Amended for growth (or decline) in ADA
- Amount is subtracted from target LCFF grant to determine gap funding.
- Percentage of gap funding is as provided in annual state budget
- Prior year's gap funding is then added to prior year, adjusted for growth or decline in ADA.
- Cycle continues adding gap funding to the base as ongoing revenues until the LCFF is fully funded.

Transition Funding – How it works in LCMSD

PART II - LOCAL CONTROL FUNDING FORMULA TRANSITION	
42238.03(a)	CALCULATE TRANSITION BASE FUNDING:
(a)(1)(A) & (B)	Current year Funded ADA times Base per ADA 7,410,582
(a)(1)(D)	Necessary Small School Allowance -
(a)(2)	2012-13 Categoricals 979,877
(a)(3)	2012-13 Charter Categorical BG/ 12-13 ADA * cy ADA -
(a)(4)	Beginning in 2014-15, prior year LCFF gap funding per ADA * cy ADA
	TRANSITION BASE FUNDING 8,390,459
42238.03	CALCULATE LCFF TRANSITION FUNDING
	2013/14
42238.02(i)	LOCAL CONTROL FUNDING FORMULA TARGET 10,546,483
42238.03(a)	TRANSITION BASE FUNDING 8,390,459
(b)(1)	Difference or GAP 2,156,024
(b)(3)	Multiply difference by funding rate 11.50% 247,943
	LCFF TRANSITION FUNDING 8,638,402

LCFF Apportionments During 2013-14

- LCFF apportionments will not be apportioned until 2013-14 P2, July 2014
- In the interim, LEAs will be funded off of old formula as apportioned through 2013-14 state budget act
- Here's what CDE says on its website...

LCFF funding will be distributed via the Principal Apportionment. The system for calculating payments is extraordinarily complex, and the LCFF will add layers of additional complexity during the eight-year phase-in period (after the phase-in period, the calculations will be simpler).

We anticipate being able to complete the system changes required to implement the new formula with the Second Principal Apportionment for 2013-14, which will be released in July 2014. This apportionment will be based on data collected in fall 2013 (enrollment-related data from CALPADS) and spring 2014 (attendance and tax data). Funding amounts provided in the Advance Apportionment (July 2013) and First Principal Apportionment (February 2013) will not be based on the LCFF formula.

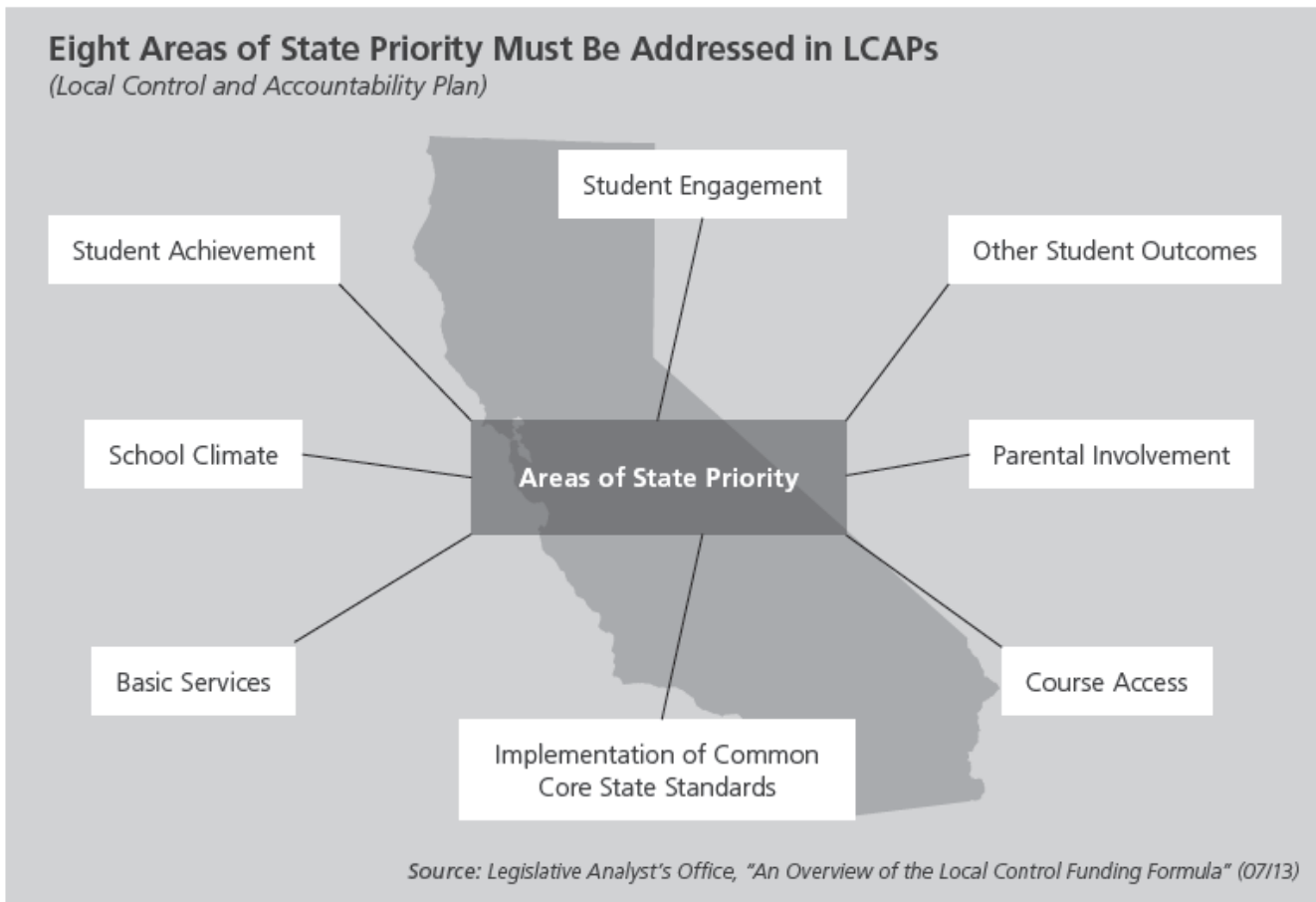
Local Control Accountability Plan (LCAP)

Beginning in 2013-14, LEAs are expected to begin rethinking their approach to planning, budgeting, and using funds aligned to the following eight state priorities included in *Education Code (EC) 52060(d)*

Local Control Accountability Plan (LCAP)

- A description of goals for each State priority for all pupils, specifically unduplicated LCFF pupils.
- A plan that will be effective for a period of three years, with an update prepared before July 1 of each year.
- Specific actions to achieve district goals, including budget amounts allocated to carry out specific actions necessary for that year to correct any deficiencies and comply with State priorities.
- District goals must be aligned with and address State priorities as outlined in 52060.

Eight State Priorities



2013-14, The Year of Transition

- Regulations will be adopted by the State Board of Education to govern expenditures for identified pupils with regard to supplemental and concentration grants.
- Per 42238.07 (a), an LEA is to “use funds apportioned on the basis of the number of unduplicated pupils for districtwide purposes ... in a manner that is no more restrictive than the restrictions provided for in Title I of the Federal No Child Left Behind Act of 2001.” These regulations are to be adopted on or before January 31, 2014.

2013-14, The Year of Transition

- State Board of Education develops regulations and template
- Further details for the LCAP will follow upon adoption of regulations by the State Board of Education (SBE) by January 31, 2014.
- By March 31, 2014, the SBE adopt templates for LEAs to use in the development of their accountability plans for 2014-15.
- Thereafter, any revisions to the template shall be made by the SBE prior to January 31 of each year.

LCFF LCAPs: Annual Goals

Annual goals must be set for *all* students and for *each* of the following subgroups:

- Ethnic subgroups
- Socioeconomically disadvantaged students
- English learners
- Students with disabilities
- Foster Youth

California Collaborative for Educational Excellence (CCEE)

- Similar to a district budget, county superintendents may not approve a LCAP or annual update if deficiencies exist. Districts can turn to a COE for technical assistance in creating the district LCAP or annual update.
- Intervention will be offered by any of the following: written guidance from the COE, assignment of an academic expert/team, or assignment of the California Collaborative for Educational Excellence (CCEE).

Common Core Implementation – AB 86

- Funding for K-12 for establishing high-quality instructional programs for all pupils.
- Funds must be spent by end of 2014-15 fiscal year
- Per-pupil award amounts estimated to be \$200/pupil
- Three allowable areas of expenditure as aligned to academic content standards:
 - Professional development for all staff involved in direct instruction of pupils
 - Instructional materials
 - Integration of academic content standards through technology-based instruction including necessary support for administration of computer-based assessments.

Conclusion

- “Our economy and global society now requires its workers to effectively discern, communicate, create and have the ability to solve challenging problems. To foster these habits of mind among students, the environments in which they learn must embody these same traits.”

Source: EdSource.org commentary