THE LOCAL CONTROL FUNDING FORMULA AND THE LOCAL CONTROL AND ACCOUNTABILITY PLAN
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)
Meant to be simple and transparent while allowing districts maximum flexibility in allocating resources to meet local needs
For school districts and charter schools,
  - base, supplemental and concentration grants replace revenue limits and most state categorical programs
For County Offices of Education (COEs),
  - the LCFF creates separate funding streams for County oversight activities and instructional programs
FIGURE 1: CHANGES IN FUNDING METHODOLOGY DUE TO LCFF

Pre-LCFF

Revenue Limit
Based on Historical amounts per student with Many adjustments

State Categorical Funds
For specific purposes with many rules

LCFF Base Grant
Same for every school district, with adjustments based on grade level

LCFF Supplemental & Concentration Funding
Provided to address needs of EL, LI & foster youth

LCFF

FIGURE 1: CHANGES IN FUNDING METHODOLOGY DUE TO LCFF
Provides a base grant for school districts

- Establishes a uniform grade-span target base rate for all school districts
  - K-3 $6,845
  - 4-6 $6,947
  - 7-8 $7,154
  - 9-12 $8,289

- Provides a Cost of Living Adjustment (COLA) to the base grant rates (1.565% for 2013-2014)

- Total base grant funding is the district’s average daily attendance (ADA) in each of the 4 grade spans times the grade-span target base rate
COMPONENTS OF THE LCFF
2. ADJUSTMENTS TO BASE GRANT

- Adjusts Early Elementary Base Rate
  - 10.4% adjustment on the base grant amount, initially $712 per 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 ADA
  - related to the costs of providing career technical education (CTE) in high school
Provides a *supplemental 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 (LI) as measured by those students eligible to receive free or reduced-price meals (FRPM)
  - Foster youth
- 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
  - 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
## FIGURE 2: SFUSD –LCFF TARGET ENTITLEMENT

<table>
<thead>
<tr>
<th>Grade Span</th>
<th>Base Grant per ADA</th>
<th>FY 13-14 Adjusted Base Grant (Base X 1.565% COLA)</th>
<th>FY 12-13 Grade Span ADA</th>
<th>FY 13-14 Base Grant Funding (Adjusted Base Grant X Grade Span ADA) **</th>
<th>Early Elementary Adjustment (10.4% X K-3 Base Grant Funding)</th>
<th>High School Adjustment (2.6% X 9-12 Base Funding)</th>
<th>Supplemental Grant (%age disadvantaged students X 20% of Base Grant)</th>
<th>Concentration Grant (%age disadvantaged students above 55% X 50% of Base Grant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-3</td>
<td>$6,845</td>
<td>$6,952</td>
<td>17,090.45</td>
<td>$118,814,932</td>
<td>$12,356,753</td>
<td>-</td>
<td>$16,789,976</td>
<td>$5,902,726</td>
</tr>
<tr>
<td>Gr 4-6</td>
<td>$6,947</td>
<td>$7,056</td>
<td>10,967.89</td>
<td>$77,386,367</td>
<td>-</td>
<td>-</td>
<td>$9,905,455</td>
<td>$3,482,387</td>
</tr>
<tr>
<td>Gr 7-8</td>
<td>$7,154</td>
<td>$7,266</td>
<td>6582.78</td>
<td>$47,830,217</td>
<td>-</td>
<td>-</td>
<td>$6,122,268</td>
<td>&amp;2,152,360</td>
</tr>
<tr>
<td>Gr 9-12</td>
<td>$8,289</td>
<td>$8,419</td>
<td>14,590.77</td>
<td>$122,835,649</td>
<td>-</td>
<td>$3,193,727</td>
<td>$16,131,760</td>
<td>$5,671,322</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>49,231.89</td>
<td>$366,867,164</td>
<td>$12,356,753</td>
<td>$3,193,727</td>
<td>$48,949,458</td>
<td>$17,208,794</td>
</tr>
</tbody>
</table>

** The base amount above does not include add-ons for TIIBG and Home to School Transportation
LCFF Entitlement Components
($ Millions)

- **Base Grant**: $367 MM (82%)
- **K-3 Adjustment**: $12 MM (2%)
- **High School Adjustment**: $3 MM (1%)
- **Supplemental Grant**: $49 MM (11%)
- **Concentration Grant**: $17 MM (4%)
- Eliminates a number of state categorical programs and folds funding for these programs into the LCFF **
- Maintains 2 existing categorical funding streams as add-ons
  - Targeted Instructional Improvement Block Grant (TIIBG)
  - Home to School Transportation
    - requires districts to spend at least the same amount of funds received from the state for H/S transportation as spent in 2012-13

**See Figure 1 for a list of SFUSD state categorical programs folded into the LCFF**
### FIGURE 4: LIST OF STATE CATEGORICAL PROGRAMS IN SFUSD NOW FOLDED INTO THE LCFF

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Program Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplemental Instructional Hourly Program</td>
<td>GATE</td>
</tr>
<tr>
<td>Advanced Placement Fees</td>
<td>Math &amp; Reading PD</td>
</tr>
<tr>
<td>Oral Health Assessment</td>
<td>Math &amp; Reading PD - English Learners</td>
</tr>
<tr>
<td>CSR, Grade 9</td>
<td>Middle &amp; High Schools Counseling</td>
</tr>
<tr>
<td>CSR, K-3</td>
<td>National Board Certification</td>
</tr>
<tr>
<td>Alternative Credentialing</td>
<td>Para to Teacher Training</td>
</tr>
<tr>
<td>Administrator Training</td>
<td>Peer Assistance &amp; Review (PAR)</td>
</tr>
<tr>
<td>Arts &amp; Music Block Grant</td>
<td>PE Teacher Incentive</td>
</tr>
<tr>
<td>CAHSEE</td>
<td>Professional Development Block Grant</td>
</tr>
<tr>
<td>Certificated Staff Mentoring</td>
<td>Pupil Retention</td>
</tr>
<tr>
<td>Community Based English Tutoring (CBET)</td>
<td>School &amp; Library Improvement (SLIBG)</td>
</tr>
<tr>
<td>Deferred Maintenance</td>
<td>School Safety Competitive Grant</td>
</tr>
<tr>
<td>Educational Technology - CTAP</td>
<td>School Safety Violence Prevention</td>
</tr>
<tr>
<td>Instructional Materials Funding Realignment</td>
<td>Teacher Credentialing</td>
</tr>
<tr>
<td>Economic Impact Aid (SCE &amp; LEP)</td>
<td></td>
</tr>
</tbody>
</table>
FIGURE 5: LCFF FUNDING FOR 2 DISTRICTS WITH SIMILAR ENROLLMENT BUT DIFFERENT STUDENT DEMOGRAPHICS
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 provides $2.1 billion of additional funding, or roughly 12% of the total amount needed to bring districts up to the target level of full funding, in 2013-14, the first year of implementation of the LCFF.

At this rate of “gap” funding, the state budget projects the time frame for full implementation of the LCFF to be eight years.
Until full implementation, school districts will receive roughly the same amount of funding they received in 2012-13 plus an additional amount each year to bridge the gap between current funding levels and the new LCFF target levels.

The grade-span base grants are adjusted annually for a Cost of Living Adjustment (COLA).

- Because all of the LCFF adjustments (K-3 CSR, CTE, supplemental & concentration grants) are tied to the base grant, these funds are increased annually by the COLA as well.
Over the course of full implementation of the LCFF, to reach the target funding amount -

- Annually, school districts will receive additional funding in the same proportionate percentage as funded by the state to close the gap (roughly 12% in 2013-14)
- The actual dollar amount each district receives is different and will depend on
  - The district’s ADA in each grade span
  - Population of EL, LI and Foster Youth students as a percentage of district’s total enrollment
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 (see Figure 7):
- Must include both district-wide goals and goals for each numerically significant student subgroup (see Figure 6).
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

- Districts must solicit input from various stakeholders in the development of the LCAP
  - Must consult with school district employees, parents, and students
    - Present proposed plan to a parent advisory committee
    - Present plan to a separate EL parent advisory committee if ELs comprise at least 15 percent of district’s enrollment or district has at least 50 EL students enrolled
    - District must respond in writing to the comments of the advisory committees
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
Student sub-groups are the following

- Racial/Ethnic Subgroups
  - Black/African American
  - American Indian/Alaska Native
  - Asian
  - Filipino
  - Hispanic/Latino
  - Native Hawaiian/Pacific Islander
  - White
  - Two or more races

- Other Subgroups
  - Socioeconomically disadvantaged
  - English learners
  - Students with disabilities
  - Foster Youth

FIGURE 6: STUDENT SUBGROUPS
FIGURE 7: THE EIGHT STATE PRIORITY AREAS
January 31:
• SBE must adopt regulations for use of supplemental & concentration funds

March 31
• SBE must adopt LCAP template

July 1
• Districts must adopt LCAP for 2014-15

October 8:
• COEs must approve or reject district LCAP

October 1:
• SBE must adopt evaluation rubrics

July 1:
• Districts must adopt LCAP annual update

July 1:
• Districts adopt LCAP annual update

FIGURE 8: LCAP –IMPLEMENTATION TIMELINE
Develop Proposed Plan

- Solicit written comments on proposed plan from public
- Present proposed plan to parent advisory committees for review and comment
- Solicit recommendations and comments from the public in hearing
- Consult with school employees, parents, and students

Respond in writing to comments of parent advisory committees

Adopt plan in public hearing