

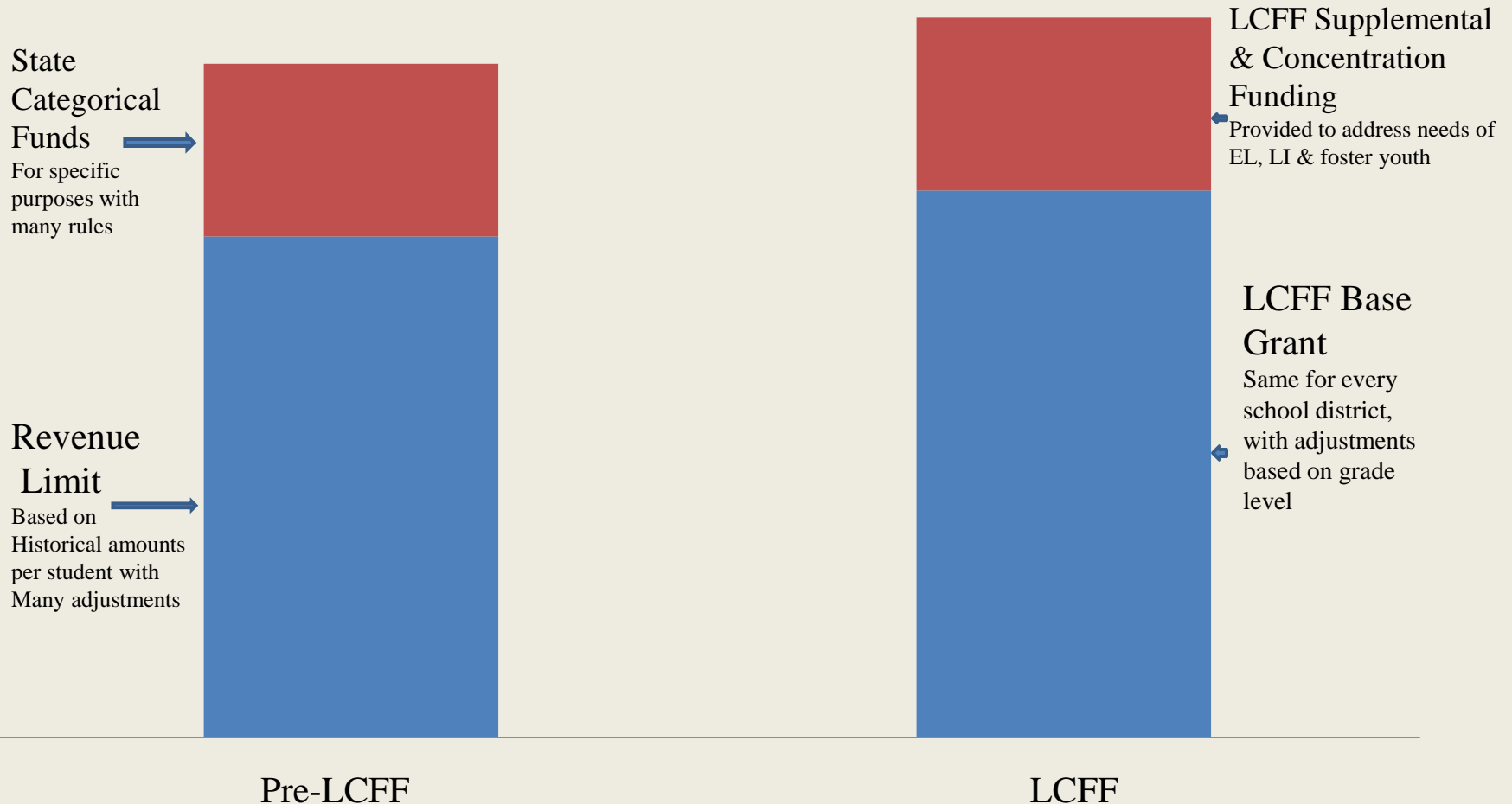
THE LOCAL CONTROL FUNDING FORMULA AND THE LOCAL CONTROL AND ACCOUNTABILITY PLAN

San Francisco
Unified School
District
Presentation to
Community
Forums
Spring, 2014

WHAT IS THE LOCAL CONTROL FUNDING FORMULA?

- 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



COMPONENTS OF THE LCFF

1. BASE GRANT

- 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

3. SUPPLEMENTAL GRANTS

- 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

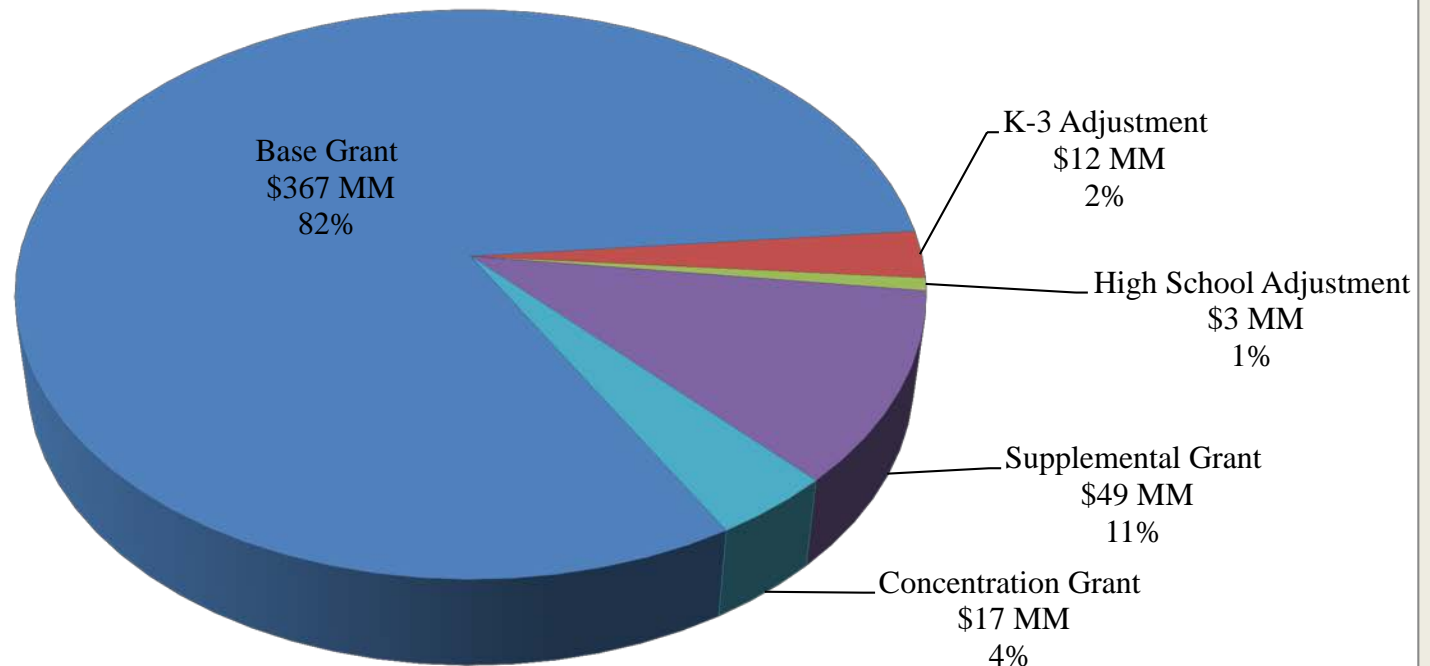
FIGURE 2: SFUSD –LCFF TARGET ENTITLEMENT

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

** The base amount above does not include add-ons for TIIBG and Home to School Transportation

FIGURE 3: SFUSD-LCFF TARGET ENTITLEMENT SUMMARY

LCFF Entitlement Components (\$ Millions)



STATE CATEGORICAL PROGRAMS

- 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

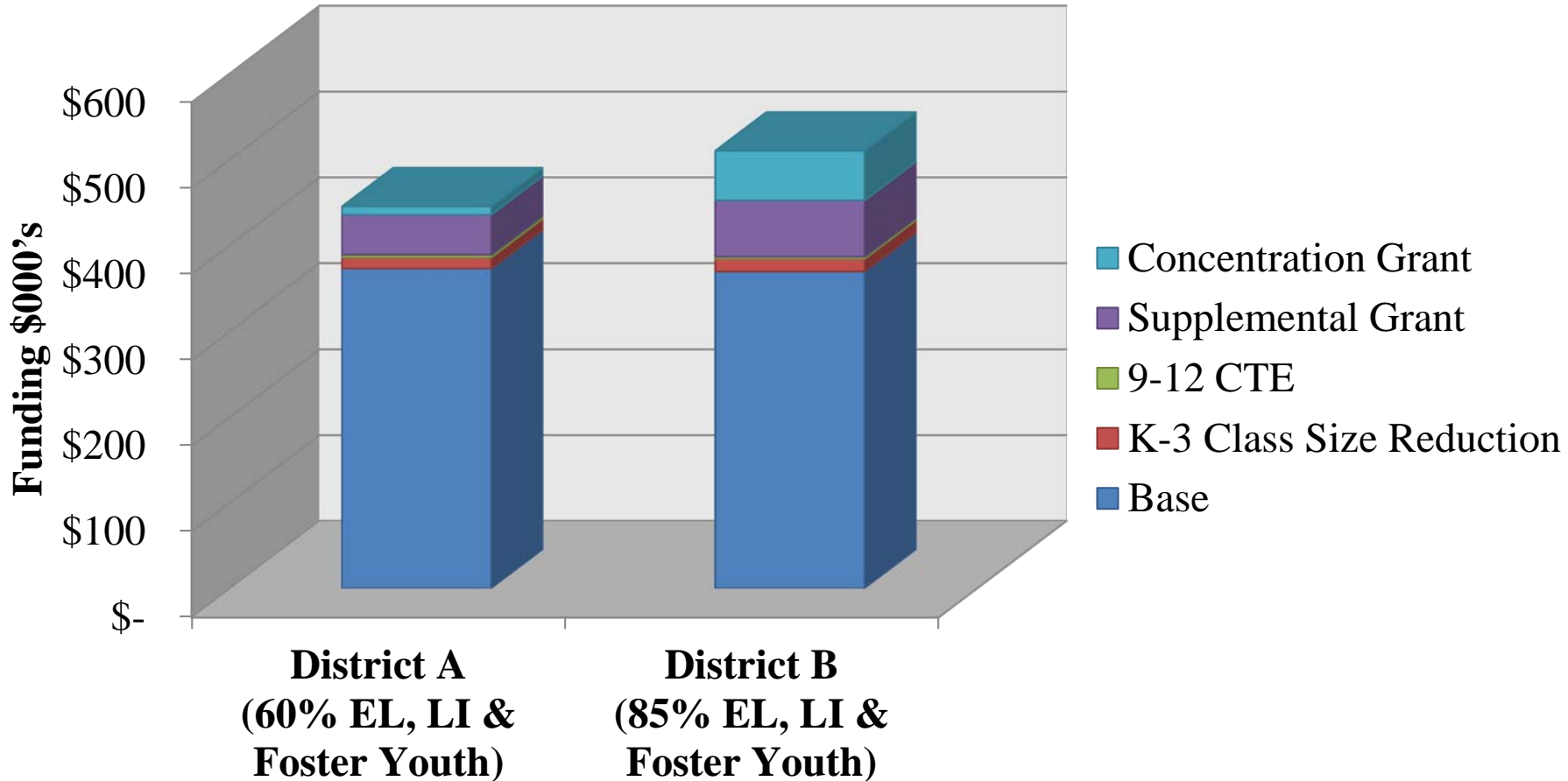
Program Title

- Supplemental Instructional Hourly Program
- Advanced Placement Fees
- Oral Health Assessment
- CSR, Grade 9
- CSR, K-3
- Alternative Credentialing
- Administrator Training
- Arts & Music Block Grant
- CAHSEE
- Certificated Staff Mentoring
- Community Based English Tutoring (CBET)
- Deferred Maintenance
- Educational Technology-CTAP
- Instructional Materials Funding Realignment

Program Title

- GATE
- Math & Reading PD
- Math & Reading PD-English Learners
- Middle & High Schools Counseling
- National Board Certification
- Para to Teacher Training
- Peer Assistance & Review (PAR)
- PE Teacher Incentive
- Professional Development Block Grant
- Pupil Retention
- School & Library Improvement (SLIBG)
- School Safety Competitive Grant
- School Safety Violence Prevention
- Teacher Credentialing
- Economic Impact Aid (SCE & LEP)

FIGURE 5: LCFF FUNDING FOR 2 DISTRICTS WITH SIMILAR ENROLLMENT BUT DIFFERENT STUDENT DEMOGRAPHICS



COST OF LCFF

- 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

COST OF LCFF

- 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

TO SUMMARIZE...

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 LOCAL CONTROL AND ACCOUNTABILITY PLAN (LCAP)

- 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)

THE LOCAL CONTROL AND ACCOUNTABILITY PLAN (LCAP)

- 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

PUBLIC HEARINGS

- 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

FIGURE 6: STUDENT SUBGROUPS

- 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 7: THE EIGHT STATE PRIORITY AREAS



FIGURE 8: LCAP –IMPLEMENTATION TIMELINE

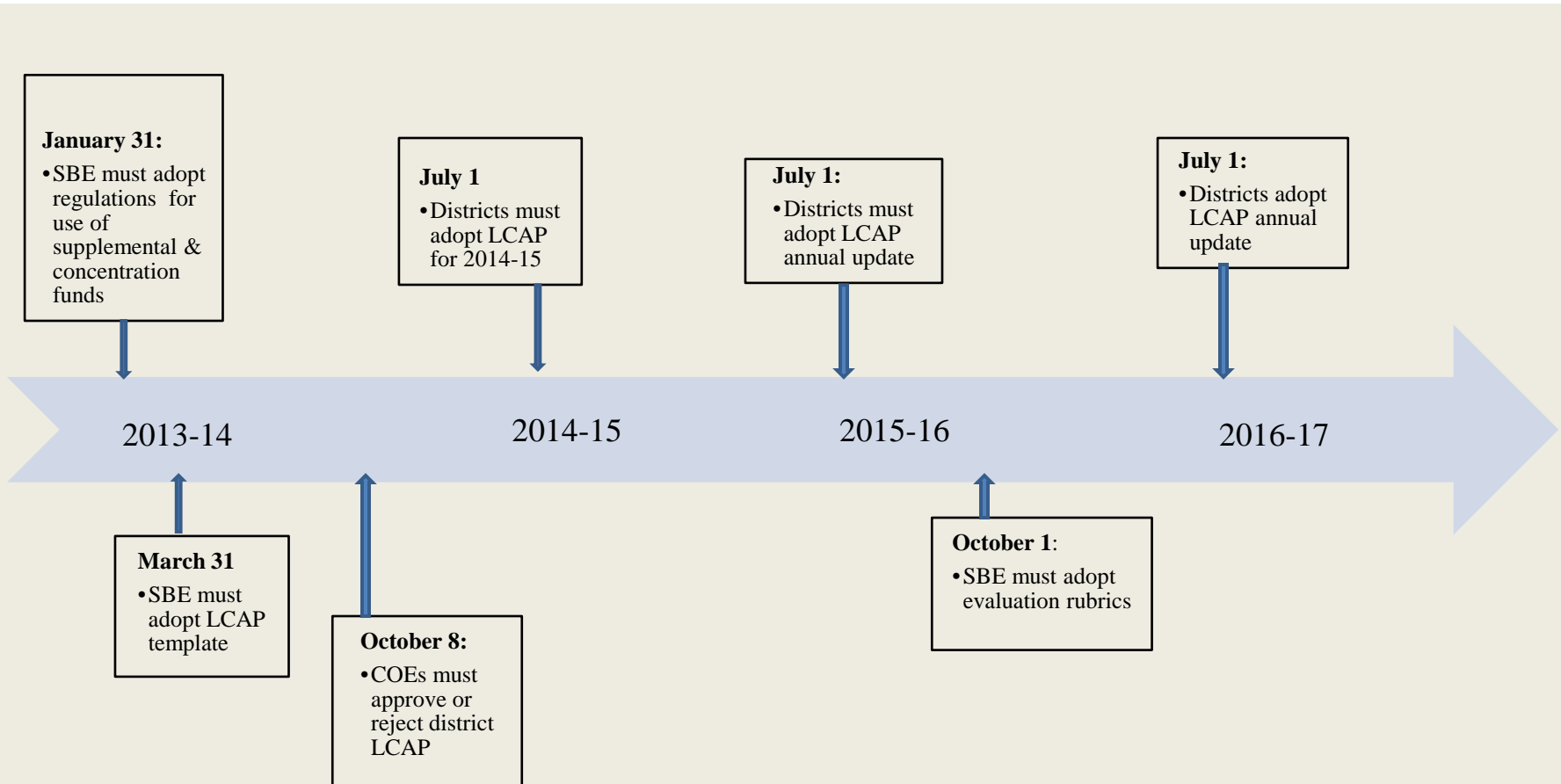


FIGURE 9: SCHOOL DISTRICT LCAP ADOPTION PROCESS

