



The Local Control Funding Formula An Essential EdSource Guide

Key Questions & Answers

The way California's public education system is funded has changed dramatically as a result of a law signed by Gov. Jerry Brown in July 2013. Its centerpiece is the Local Control Funding Formula, designed to send additional money to districts where Gov. Jerry Brown believes "the need and the challenge is greatest." For the first time, the law requires that parents, students, teachers and other community members be involved in the process of deciding how new funds are spent. This EdSource guide provides an explanation of the essential elements of the new system.

Q. What is the Local Control Funding Formula?

A: The Local Control Funding Formula represents the most significant change in California's funding system for K-12 schools in four decades. It affects every school district in the state. One goal of the new law is to improve academic outcomes by targeting more money to school districts that serve high-needs students. Another goal is to give local school districts more authority to decide how to spend education dollars, and hold them accountable for getting results.

Q. When will it be fully funded?

A: The transition to the Local Control Funding Formula began in 2013-14. Gov. Brown and the Legislature estimated it would take eight years, until 2020-21, for full implementation of the law. The state is sticking with this forecast, even though the passage of temporary taxes under Proposition 30 and surging state revenues have provided more money for the funding formula than expected during the first three years. Each year, districts receive additional funds based on student attendance and the percentage of high-needs students, which the formula defines as low-income children, English learners, and homeless and foster youth.

Q. Will my district get more or less money?

A. When the formula is fully funded, the vast majority of districts will receive at least as much as they received before the start of the recession in 2007-08, adjusted for inflation. Most will get more.

Q. How are state funds allocated?

A: Funding goes to districts rather than individual schools. Most of the funds consist of a base grant based on the number of students in attendance in a district. The base grant will be larger in grades K-3, to support smaller class sizes, and largest for high school grades.

Based on current projections, the base grant at full funding will be \$7,820 for students in grades K-3, \$7,189 for students in grades 4-6, \$7,403 for students in grades 7-8, and \$8,801 for students in grades 9-12. The base grants are adjusted upward each year to reflect cost-of-living increases.

At full funding, each district will get a supplemental grant of 20 percent of the base grant for every English learner, foster youth, homeless youth and low-income student enrolled. If students fall into more than one of these categories—if they are low-income and English learners, for example—districts will still receive only one supplemental grant for those students.

The new system also recognizes that districts with large numbers of high-needs students face extra challenges and costs. So if more than 55 percent of a district's students fall into the high-needs category, the district qualifies for an additional concentration grant based on the number of high-needs students above the 55 percent threshold.

As the state makes the transition to full funding, districts receive a prorated share of their supplemental and concentration grants.

Q. Does a district have to spend the additional funds it receives on high-needs students?

A. The new law gives districts flexibility to spend their base grants as they choose. But districts must use the additional state funds—the supplemental and concentration grants—“to increase or improve services in proportion to the increase in funds” they receive for students targeted for extra money. If high-needs students are the majority, districts can use the additional money for districtwide purposes, such as extending the school day, but they must explain how the spending will principally benefit high-needs students.

I'm signing a bill that is truly revolutionary. We are bringing government closer to the people, to the classroom where real decisions are made and directing the money where the need and the challenge is greatest. This is a good day for California, it's a good day for school kids, and it's a good day for our future.

– GOV. JERRY BROWN, JULY 1, 2013



Q. What about funding for special education students?

A. The new formula makes no changes in how special education is funded.

Q. How will districts be held accountable for how they spend state funds?

A. Money from the Local Control Funding Formula accounts for about 80 percent of general funding that districts get from the state. The law requires that districts detail how they will spend the money in a document called the Local Control and Accountability Plan or LCAP. The LCAP should spell out goals for student progress and district improvement, actions and spending that the district will take to achieve them, and how the progress will be measured.

The goals should respond to eight priorities under the funding law, including how districts will improve parent engagement and school climate, implement the Common Core and new science standards, and raise student achievement so that students are prepared for college and careers.

Following a template that the State Board of Education created, the LCAP should break down how the goals and expenditures would increase or improve services and programs for each high-needs student group that receives extra funding.

Q. Will there be consequences for school districts that do not improve sufficiently?

A. The thrust of the new system is to encourage self-improvement and to provide support to schools that fail to show progress in the eight LCAP priority areas. This marks a big shift from the current punishment-oriented approach of the federal school accountability system.

By the fall of 2016, the State Board of Education will create a dashboard of measurements, called an “evaluation rubric,” establishing statewide goals for all schools and districts. They may include high school graduation and student suspension rates or target scores on standardized tests. Districts and county offices of education will use the rubric to assess strengths and weaknesses and to determine whether some form of support, such as assigning a team of experts to help the district, is needed.

In cases of “persistently failing” districts, the state superintendent of public instruction, with the approval of the State Board, can intervene directly. The Legislature established a new agency, the California Collaborative on Educational Excellence, to oversee school improvement.

Q. How can I get involved?

A. School districts must provide opportunities for input from teachers, principals, administrators and other school personnel, the district’s unions, parents and students so that funds are spent appropriately and equitably. The LCAP lays out the process for community involvement. It is designed to be a planning tool as well as a comprehensive accountability document. The LCAP template requires that districts document how they reached out to parents, how their priorities are supported by data, and how

spending decisions and expenses are aligned with district goals and priorities. The LCAP is a three-year document that must be updated annually.

At a minimum, school boards must hold a public hearing on the plan before adopting the LCAP. In addition, the new funding law requires that districts reach out to students and to parents through a parent advisory committee. Districts where English learners comprise at least 15 percent of enrollment must also consult with an English learner advisory committee.

If they are not directly involved at a district level, parents should participate in discussions with their school site councils. They should insist that LCAP materials and meeting schedules be widely distributed and translated into Spanish and other languages. Parents should demand that the outreach begin early in the school year. Because LCAPs can be very lengthy, they should request clearly written and accessible summaries that explain how money will be spent.

A massive shift in decision-making, planning and resource allocation requires patience, persistence and humility. It requires us to be mindful that many of the system components are still evolving. In the meantime, I am encouraged about how the funding formula reforms are moving decision making closer to where it should have been all along – closer to where children are learning and teachers are teaching.

– MICHAEL KIRST, EDSOURCE COMMENTARY, AUG. 4, 2015



Want to use this guide in your school and community?

We encourage you to place a [link](#) to this guide on other organizations' websites, or to download it at edsource.org/wp-content/publications/10-questions.pdf. Please make as many copies as you would like, and distribute them to parents, teachers and others in your school and community. A Spanish version is available on our website.

Want to know more?

EdSource has brought together a wide range of materials to help explain how the Local Control Funding Formula works. Visit our website at www.edsource.org. For regular updates on these and other education reforms, [subscribe](#) to our free online service, *EdSource Today*.

About EdSource

EdSource is a nonpartisan, nonprofit organization founded in 1977 to highlight strategies for student success.