Local Control & Accountability for School Budget

The new school year, which will soon be upon us, is brining with it some major changes in state policy. The most significant change is in how schools are funded. After 30 years of revenue limits and categorical funding, add-ons, and other complexities packaged into a state funding scheme that outside of a few specialists few people understood, the state has a new school finance formula that brings with it transparency, simplicity, and equity. With this also come new standards and processes for local accountability.

The K-12 Education Budget

After years of belt-tightening budgets for schools, California appears to be on a positive trajectory toward recovery. The overall improvement in the state’s economic condition is reflected in this year’s budget. While California still has some distance to go to get caught up with other states, at least the numbers are moving in the right direction.

The Budget provides a total of $70 billion for K-12 funding for the 2013-2014 academic year. Of that, $39.6 billion will come from the state’s General Fund. The remainder, $30.4 billion, will come from a variety of other sources, including federal sources. For the next academic year, the Proposition 98 funding guarantee is $55.3 billion, an increase of more than $8 billion over the 2011-2012 level.

Of course, the most important budget-related issue is the Local Control Funding Formula (LCFF). The most important feature of this formula is that it brings some rationality, transparency, and equity to school funding. Most importantly, it leaves to local school officials the determination of how much to spend on various activities and services. It is a radical departure from the one-size-fits-all finance model to a more locally determined model. Under the new scheme, local school officials have considerable flexibility in deciding how to make best use of dollars and how to best meet the needs of their students.
The LCFF recognizes that an equitable school financing system needs to provide additional resources for children who require additional services. On top of the $7,643 per-pupil base funding, the formula provides a 20 percent supplemental grant for ELLs, students from low-income families, and foster youth. These funds are intended to follow students to the school to be spent on those students. (More on this below in the section on local accountability.) The formula also provides additional resources to schools that have high concentrations of ELL, low-income, and foster youth. The concentration grant provides up to 22.5 percent of the LEA’s base grant, depending on the number of eligible students who comprise more than 55 percent of enrollment.

The new funding scheme also provides a provision to bring all LEAs to full, pre-recession funding levels over the course of several years.

According to the Governor’s Office, over $25 billion in new funding will flow to schools over the next eight years with 84 cents of every dollar going into base grants with 10 cents going to supplemental grants, and 6 cents going to concentration grants.

Overall, the Governor’s Office estimates that the average base grant of $7,643 is $2,375 more than the average revenue limit for 2012-2013.

**Accountability**

The *quid pro quo* of LCFF is that it requires LEAs to adopt a Local Control and Accountability Plan (LCAP). The plan is intended to assure that the supplemental and target monies flow to primarily benefit those students for whom they were intended.

The LCAP must include goals for students in each of the designated subgroups as well as how the district intends to achieve those goals. Plans will need to be tied to state priority areas which include both academic and school climate measures. The former encompasses implementation of Common Core Standards, expansion of parent involvement, performance on state and local assessments, graduation rates, the number of students meeting UC and CSU admission requirements, and more. Local plans will have to be adopted in a public meeting after consultation with parent advisory committees and then be posted on the LEA’s web site. The State Board is required to adopt plan templates for use by LEAs by the end of March 2014.

LEAs will have to submit their LCAP to the county superintendent of schools for review. Technical assistance for this new process will be provided by the CDE. To that end, the state board is required to adopt, before October 1, 2015, an evaluation rubric to assist LEAs in evaluating their strengths and weaknesses and to identify LEAs in need of technical assistance. The California Collaborative for Education Excellence (modeled on FCMAT) will further assist LEAs meet accountability requirements.
Much needs to be worked out regarding the details of how the new finance and accountability model is going to work. Schools should expect further legislation, either this summer or in the next session, to clarify and specify the details of the LCAP.

If you wish to provide input for implementation of the LCFF, the SBE and CDE are hosting several sessions in various parts of the state. For more information, contact Ann Hern (ahern@wested.org) or Jannelle Kubinc (jkubinec@wested.org).

**Common Core Implementation**

LEAs will receive a share of $1.25 billion (approximately $175 per pupil) in one-time money to support Common Core implementation. The funds are intended to be used for professional development, technology, and instructional materials. In order to receive these Common Core implementation funds, LEAs are required to submit a Common Core State Standards (CCSS) Implementation Plan.

CCSS Implementation plans will include a formative practices plan, a local technology plan and a local site-based professional learning plan. In order to assist districts throughout the state, CISI has developed a template (based on CDE guidelines) for LEAs to use for submitting their Common Core Local Implementation Plans. LEAs will receive the template within the next two weeks.

**K-12 Deferrals**

This is very good news for districts that have had to borrow money to meet their cash flow needs. The Budget allocates $1.6 billion in 2012-13 and increase of $242.3 million in 2013-14 for the repayment of inter-year budgetary deferrals. Combined funding over the two years will reduce deferrals by $5.6 billion by the end of the 2013-14 fiscal year.