



National Summit on Education Reform

Strategy Session XII: Making the Shift to Student-Centered Funding:
California's Local Control Funding Formula

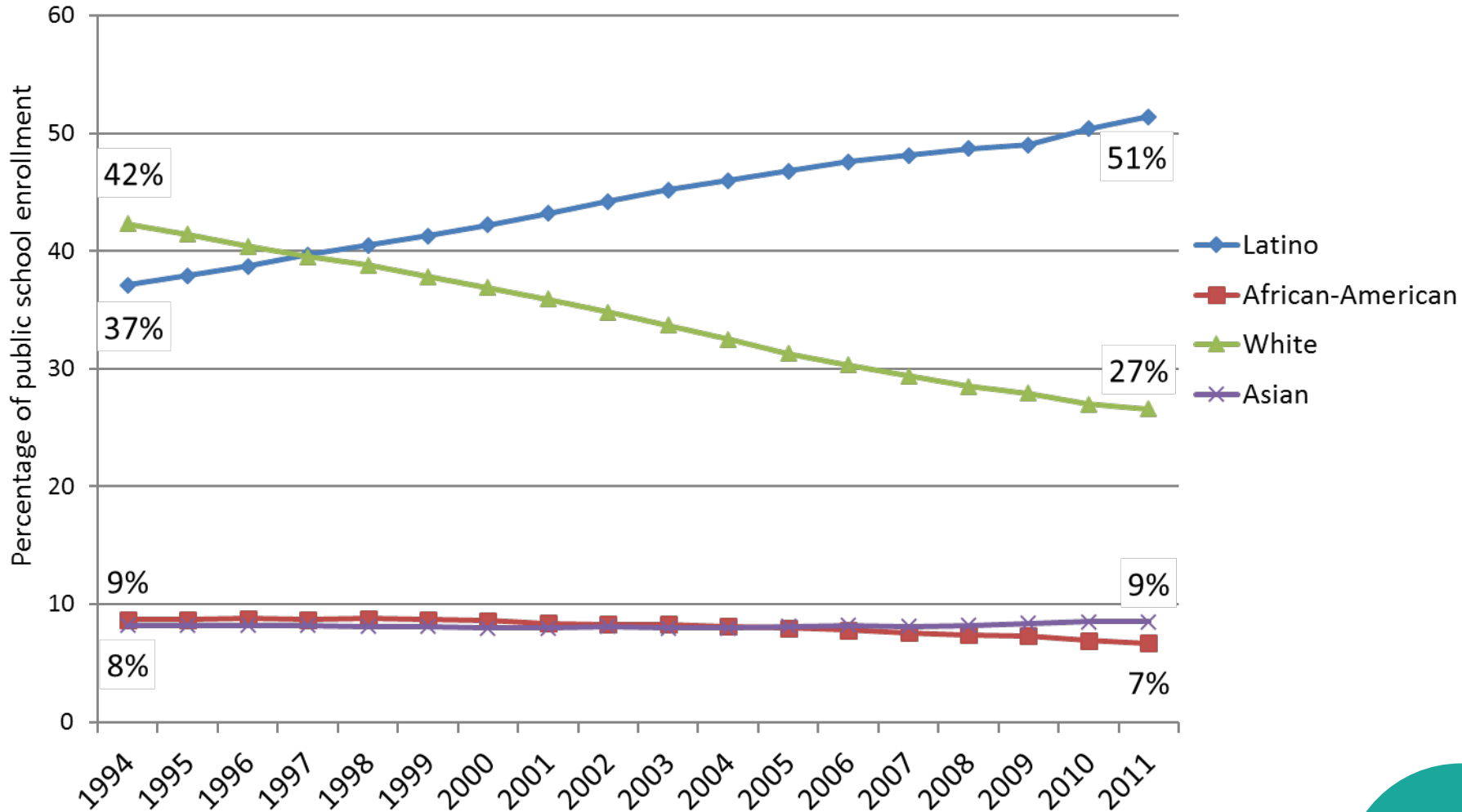
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- **Mission:** Pivot Learning is a nonprofit organization whose mission is to revitalize our public school systems so that all students have the opportunity to succeed in college and career. We **partner with education leaders** at all levels and provide them with the knowledge, skills and support proven to strengthen educational systems and transform teaching and learning.
- **Vision:** We envision a future in which all students realize their full potential in learning and life.

- 250 districts since 2011, heavily focused on medium to small rural and urban districts.
- Out of state work: Chicago Public Schools, Seattle Public Schools, Spokane, and Houston.
- Cost effective, accessible to a broad range of districts through blended technology integrated services
- Long record of work in education finance, both site based budgeting and Local Control Funding Formula (LCFF)

California Context - A Majority/Minority State



Equity and Workforce Challenge

- Currently on track to produce 2.3 million fewer college graduates than the state needs by 2025.
- California ranks among the lowest of the states in the number of credentials and degrees produced per 100 undergraduates at public two-year colleges.
- Completion rates at the UC, CSU, and CCC are substantial differences among California regions, ranging from a high of 26 degrees per 100 undergraduates at UC/CSU in the Upper Sacramento Valley, to a low of 16.3 in the Inyo-Mono region.

The Roots of LCFF (Wonky)

- CA Ed finance system built on lawsuits (Serrano) & ballot initiatives (Proposition 13 & 98)
- Irrational System
- Dozens of categorical grants
- Lots of strings
- LEA not school level funding

The Roots of LCFF (Wonkier)

- Different constituencies for each grant
- A system of winners and losers based on 20-30 year old formulas
- Permanent employment for finance experts

The Roots of LCFF (Wonkiest)

- “Until dollars are allocated in response to student needs and regional costs, and until revenues reach districts in ways that promote efficient use of funds, more money is unlikely to produce significant achievement gains” (**Kirst, Bersin, Liu 2008**).
- “**Subsidiarity** is an organizing principle from the Catholic Church that matters ought to be handled by the smallest, lowest or least centralized competent authority. Decisions should be taken at a local level if possible, rather than by a central authority”
- 2010 Election - Jerry Brown Back to the Future II

The Fight for LCFF (Wonky)

- The first attempt in 2011 called weighted student funding fails (Bad name and all about local control with no money)
- 2012 Proposition 30 Passes (tax on the 1% and .25% sales tax raise)
- 2012 Economic recovery or “Second Tech Bubble” (When the rich do well, California does well)
- 2012-2013 session, Governor makes a second attempt

The Fight for LCFF (Wonkier)

- Lots of \$
- Shift in the Governor's rhetoric and new name – Local Control Funding Formula
 - **Pro:** Equity Groups, Business, High profile Superintendents
 - **Con:** Suburban Districts, Legislature, Finance Experts, English Learner Advocates
 - **Paralyzed:** Alphabet Soup Groups & Charters

The Fight for LCFF (Wonkiest)

1. No Winners and Losers – Only Big Winners and Little Winners

- Everyone gets back to at least 2007
- 130 districts who would have made more under the old system get a differential called the Economic Recovery Target

2. Reduce the Weight and Increase the Base

- Weight goes down to 20 percent for an unduplicated student (English Learners, Foster Youth, Low Income)

The Fight for LCFF (Wonky to the Max)

3. Buy off the biggest obstacles

- Teachers unions (Class Size Reduction and newly flexed revenue)
- Legislature & Senate Pro-Tem (Foster Youth protected/Career Tech Grant)
- A few very big districts with very old special allocations (get keep them)
- High Schools (more money than middle and elementary)

3 cont. Buy off the biggest obstacles

- Charters (More money towards equivalency but some also get screwed)
- All the small categorical groups (eight state priorities: school climate, student achievement, student engagement, other outcomes, course access, parental engagement, standards implementation, basic services)
- Equity group and their friends in the legislature got (Local Control Accountability Plan, Concentration Grants, “Increase and Improve Services language”, Required parent engagement)

Out of the Policy Soup into Reality (Wonky)

- Three Basic Grants (Base 1.0, Supplemental 1.2, Concentration 2.0 per student after 55% poverty)
- Phased in over 5 years, and nearly achieved
- The Local Control Accountability Plan
- Years of decision-making on the regulations by the State Board of Education

Tailwinds

- Increased local decision-making (in district collaboration between finance and instruction)
- More local control
- More parental and community engagement
- Districts generally like it

Headwinds

- Slow regulatory process
- Increasingly disgruntled legislature
- Salary increases and pension obligation increases eating away at the supplemental and concentration revenue
- There are losers (districts in the doughnut hole and schools on the other side of the track)

- **EdTrust West – LCFF [\[link\]](#)**
Building a More Equitable and Participatory School System in California: The Local Control Funding Formula's First Year
- **Ed Source – LCFF [\[link\]](#)**
A Guide to California's Local Control Funding Formula
- **CDE – LCFF [\[link\]](#)**
California Department of Education's Guide to LCFF



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