



2013-14 State Budget Local Control Funding Formula and Key Legislative Issues

Presentation to Council of Presidents

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California School Boards Association

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2013-14 State Budget Key Items

- Total general fund revenues: \$97.2 billion
- Proposition 98 funding: \$55.3 billion
- Pay down K-14 deferrals: \$4 billion 2012-13; \$272 million 2013-14
- Local Control Funding Formula: \$2.067 billion for districts and begin implementation in the 2013-14 fiscal year
- Common Core State Standards: \$1.25 billion
- Special Education: \$55 million Cost of Living Adjustment but no equalization; very limited sequestration backfill



Local Control Funding Formula (LCFF)

Major restructuring of school finance formula

Student-based -- more funding for disadvantaged

- Instead of revenue limits and categorical programs, districts are provided *base grants, supplemental grants* and, if enrollment meets specified criteria, *concentration grants*.
- Implementation 2013-14 through 2020-21.
- Virtually all districts restored to 2007-08 level
- Economic Recovery Target payments for districts that would not be restored via the LCFF formula.

Local Control Funding Formula

- *Base Grants*: Average targeted base grant is \$7,309. Individual district base grants determined by grade spans and adjusted for K-3 CSR (24:1 by 2020-21 unless locally bargained alternative) and by grades 9 – 12 for college and career readiness.
- *Supplemental Grants*: an additional 20% of base grant; based on unduplicated counts of students in three subgroups.

Local Control Funding Formula

- Student Subgroups
 - English learners
 - Low income defined as eligible for free or reduced price meals (F/RPM)
 - Students in foster care (new subgroup)
- *Concentration Grants: 50% of the base grant*
 - Provided only to districts in which enrollment is 55% or more of students in the three subgroups;
 - Calculation based on number students 55% and above

- Districts will continue to receive their 2012-13 levels of funding for two programs as add-ons
 - Transportation – funds must be spent on transportation
 - Targeted Instructional Improvement Grant (TIIG)
- Two Maintenance of Effort Requirements
 - Adult Education and Regional Occupational Centers/Programs (ROC/Ps).
 - Expenditures in support of these must not drop below 2012-13 levels for two years.

LCFF Details

Supplemental & Concentration Funds

- To increase or improve services for English Learners, Low-income students (defined as eligible for F/RPM) and students in foster care in proportion to the increase in funds apportioned on the basis of the number of unduplicated counts of these students;
- The district may use these funds for district wide purposes in a manner that is no more restrictive than the restrictions provided for in Title I of the No Child Left Behind Act of 2001.
- State Board of Education to adopt regulations by January 31, 2014 to govern use of these funds.



LCFF and Local Control & Accountability Plans (LCAPS)

Local education agencies (LEAs) must adopt three-year LCAPs; first one to be adopted by July 1, 2014.

- Plans must be aligned to LEA budget and describe:
 - Annual goals for all pupils and each subgroup to be achieved for each of the state priorities identified in statute and any additional local priorities identified by the local governing board;
 - Specific actions the LEA will take during each year to achieve those goals.
- LEAs to conduct annual updates and review of progress in meeting goals

State Priorities

- Degree to which: teachers are fully credentialed & appropriately assigned, students have sufficient instructional materials, and facilities are in good repair (*Williams* priorities)
- Implementation of content standards (CCSS), including ELD
- Parental Involvement, including efforts to seek input & participation
- Student Achievement measured by: state assessments, API, A-G & CTE, EL proficiency & reclassification, AP exam scores of 3 or higher, college readiness (Early Assessment Program)
- Student engagement: attendance, absenteeism, dropout/graduation
- School climate: suspension/expulsion rates, other local measures
- Student access to broad course of study as described in Ed Code
- Pupil outcomes in subject areas specified for grades 1 – 6 and 7- 12

LCAP Process: Transparency & Involvement

Governing Boards

- Consult with teachers, principals, administrators, other school personnel, parents and pupils in developing LCAP.
- Establish Parent Advisory Committee to provide advice to board and superintendent on LCAP requirements;
- Establish an English Learner Parent Advisory Committee if district English learner enrollment is at least 15% and 50 pupils.

Transparency & Public Process

- Hold at least one public hearing to solicit recommends and comments from the public.
- Hold the public hearing at same meeting as the public hearing required on the district budget.
- Adopt the LCAP in a public meeting. The meeting shall be held after and not on same day as hearing.
- The governing board may adopt revisions to the LCAP during the period the LCAP is in effect. Revisions must be adopted via procedure noted above.

Transparency (con't)

- Approved LCAPs to be posted on district websites and links posted on county office websites
 - State Superintendent to post links to LCAPs on Department of Education website.
- Complaints of noncompliance with LCAP requirements via uniform complaint process
 - Appeals to State Superintendent
- Districts, County superintendents, charter schools to establish local policies to implement LCAP by June 30, 2014.

The district must file LCAP with county superintendent.

- *Clarifications?* Governing board responds in writing.
- *Recommended amendments?* Governing board considers in public meeting
- County superintendent shall approve LCAP if he/she determines both of the following:
 - LCAP adheres to template adopted by State Board of Education
 - District's budget includes expenditures sufficient to implement actions and strategies in LCAP.
- If the county superintendent does not approve a district's LCAP, the county superintendent shall provide technical assistance. Statutory provisions on technical assistance.

LCAP and Districts in need of Intervention

State Superintendent of Public Instruction (SPI) with approval of State Board of Education (SBE)

The SPI may, with the approval of the SBE, identify school districts in need of intervention. The SPI shall only intervene in a district that meets *both* of the following:

- 1) The district did not improve the outcomes for three or more pupil subgroups in regard to more than one state or local priority in three out of four consecutive school years.
- 2) The California Collaborative for Education Excellence has provided advice and assistance to the district and submits either of the following findings to the SPI: A) that the district failed or was unable to implement recommendations; B) the inadequate performance of the district is so persistent or acute as to require intervention by the SPI.

Evaluating strengths and weaknesses, need for technical assistance

- The State Board of Education (SBE) is to adopt evaluation rubrics that reflect a “holistic multidimensional assessment” of district and schoolsite performance and that include all of the state priorities. SBE to adopt rubrics by October 1, 2015. *Rubrics are to:*
- Assist a district, county office of education, or charter school in evaluating its strengths, weaknesses and areas that need improvement.
- Assist a county superintendent in identifying school districts and charter schools in need of technical assistance.
- Assist the State Superintendent in identifying school districts for which intervention is warranted.

2013-14 State Budget

Other Budget Items



- **\$1.25 billion to support Common Core State Standards implementation**
 - Funds apportioned based on prior year enrollment; approximately \$200 per pupil
 - To support professional development for teachers, administrators and other staff involved in direct instruction, instructional materials, technology
 - LEAs required to adopt expenditure plan (2-year period), hold public meeting before plan adopted by governing board; report expenditures to CDE

2013-14 State Budget

Other Budget Items

- **\$381 million for Prop 39 energy projects**
 - \$324 million distributed per ADA
 - \$57 million distributed based on students eligible for free or reduced price meals
 - \$28 million to CA Energy Commission (CEC) for low & no interest revolving loans & technical assistance
 - CEC to provide guidance
- **\$250 million for Career Pathways Trust**, a competitive grant program for regional partnerships linking high schools, community colleges and businesses to build/improve career pathway programs, including work-based learning programs.
- **\$50 million increase in Mandate Block Grant funding and high school science graduation requirement added.**

- **AB 133 (Hagman)** – Equivalent digital format
 - CSBA Position: Approve
 - Assembly Floor
- **SB 185 (Walters)** – Digital materials, database and unbundled materials
 - CSBA Position: Support
 - Assembly Floor
- **SB 682 (Lara)**- Digital versions and downloading
 - CSBA Position: Approve
 - Assembly Education Committee

- **AB 484 (Bonilla)** – California Measurement of Academic Performance and Progress for the 21st Century (CalMAPP21)
 - CSBA Position: Support if Amended
 - Senate Appropriations
- **SB 247 (Liu)** – Second grade testing
 - CSBA Position: Support if Amended
 - Assembly Appropriations

Legislation: Student Discipline

- **AB 420 (Dickinson)** – Willful defiance
 - CSBA Position: Neutral
 - Senate Floor

- **SB 744 (Lara)** – Involuntary transfer and community schools
 - CSBA Position: Oppose Unless Amended
 - Assembly Education Committee

- **AB 182 (Buchanan)** -- Capital Appreciation Bonds
 - CSBA Position: Oppose Unless Amended
 - Senate Floor
- **Parcel Taxes and lower voter threshold**
 - CSBA's sponsored measure to lower required voter passage rate to 55% was SCA 3 (Leno), but that measure has been amended & no longer relates parcel taxes. CSBA continues to work with Sen. Leno to advance the parcel tax voter threshold measure.

- **AB 375 (Buchanan)** – Certificated employees; Dismissal and Suspension
 - CSBA Position: Oppose Unless Amended
 - Senate Education Committee. Two-year bill.



Thank you.

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