

**2013-14**

**Elements of Local Control Funding  
Formula (LCFF)**

**November 19, 2013**

# Local Control Funding Formula (LCFF)

---

## Tonight's Agenda

- Transition
- Components
- Difference between existing and new system
- AUSD's revenue growth
  - ADA increase – brings additional expenditures
  - LCFF based – need for additional reserves
- Base year and target year revenue
- LCAP will be covered by Ed. services

# Local Control Funding Formula (LCFF)

---

- The LCFF is the new model in which state funds are allocated to school districts
  - Unlike Revenue Limit or Tier III programs, there are no state statutes that specify an appropriation to support LCFF
    - Each year's base grant amount will be determined by “any available appropriations”
    - Multiyear planning becomes a challenge
- Transition to LCFF begins in the current school year, 2013-14
  - Phase-in period estimated to be eight years
  - Assumes state funding will improve over the next 8 years
  - CDE will calculate AUSD's revenue in July 2014, after the year is over

# Local Control Funding Formula (LCFF)

---

- Three components of LCFF
  - Base grant
    - Varies per grade level, still based on ADA
    - Absorbs numerous categorical funds
  - Supplemental grant
    - Equal to 20% of the base grant for English learners, low income and/or foster youth
    - To provide supplemental services and not to supplant services
  - Concentration grant
    - Additional funding of 50% of the base grant for districts with 55% or more English learners, low income or foster youth

# LCFF – Base Year Funding and the Target

---

- How does the funding AUSD received under Revenue Limit compare to the funding under LCFF?
  - Revenue Limit (old system):
    - Unrestricted funds received through revenue limits, few restrictions
    - Restricted funds received through categorical programs
  - LCFF (new system):
    - Equal base grants per pupil for four grade spans – the same for all students at all schools districts
    - Supplemental funding based on free/reduced meals and number of English learners

# LCFF – Old vs. New

Hi, **Professor Budget** here to let you know that California is about to radically change the formula for funding its K-12 schools. It's all part of the budget agreement that's been reached between lawmakers in Sacramento and Gov. Jerry Brown.

## Out with the old...

Under the current system, schools receive a base amount of money, plus more than 60 "pots" of money, known as categorical funds, that can be used only for certain purposes.

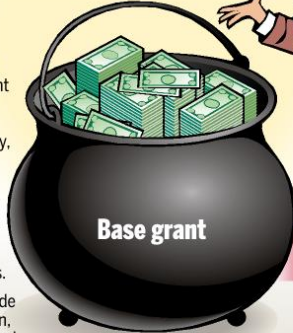
These pots include special education, gifted and talented, school lunches, textbooks, etc. All the categorical money amounts to an average of \$2,000 per student.



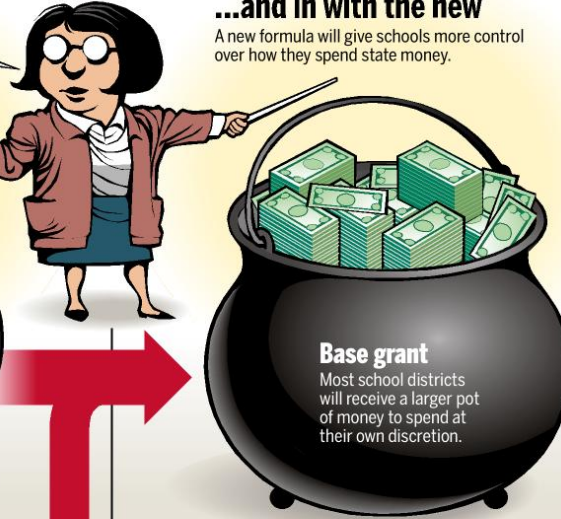
Sources: California Department of Finance, School Services of California, Inc.

## ...and in with the new

A new formula will give schools more control over how they spend state money.



**Base grant**



### Supplemental grant

Districts will receive additional money for each student who is poor, an English learner or a foster child.



### Concentration grant

Districts where at least 55 percent of the students are poor, English learners or foster kids will receive an extra pot of funding.



### A few of the old pots remain

While most of the money from the 60 small pots will be given to schools to spend as they wish, some of the old earmarks remain in place, including special education, vocational education and desegregation.

DOUG GRISWOLD AND KARL KAHLER/BAY AREA NEWS

- Prop. 98 still establishes the minimum funding level
  - Legislators will, if needed, figure out ways not to fund Prop. 98
- Special Education and other voter approved programs are not affected

# LCFF – Categorical programs outside of LCFF

---

- After School Education & Safety Program (ASES)
- Child Nutrition
- Mandates Block Grant
- Partnership Academies
- Special Education
- State Preschool
- Targeted Improvement Instructional Block Grant (TIIG)\*
- Special Education Home to School Transportation\*

\* Add-ons to the base Grant. Will not keep its identity

# LCFF – Cautionary Issues

---

- Proposition 30
  - Prop 30 generates Education Protection Account (EPA) funding
  - \$8-10 Million deduct from Revenue Limit or LCFF
  - Sales tax portion expires in 2016
  - Income tax hike sunsets in 2018
- Measure A
  - Expires in 17-18
- Reserves
  - AUSD statutory reserve is approximately half of one month's payroll
  - Establish a separate reserve equal to a year's revenue growth or keep Gap funding flat



# LCFF – Transition

- How does the funding AUSD received under Revenue Limit compare to the funding under LCFF?

Program	Revenue Limit		LCFF	
	Unrestricted	Restricted	Unrestricted	Restricted
Revenue Limit	X			
LCFF Base Grant			X	
Supplemental BG			X	
K3 CSR	X			
Education Protection	X		X	
Tier III	X			
TIIG	X			
Economic Impact Aid		X		
SPED Transportation		X		

# LCFF – Draft Revenue Calculation

# DRAFT

Grade Span	ADA	Base Grant	K-3 (10.4%) 9-12 (2.6%) Add-ons	Supplemental Grant*	Target
K-3	2986.67	\$6,952	\$723	\$611	\$ 24,747,548
4-6	2036.98	\$7,056		\$562	\$ 15,517,714
7-8	1042.06	\$7,266		\$579	\$ 8,174,961
9-12	3009.76	\$8,419	\$219	\$688	\$ 28,069,022
Total Base	9075.47	\$68,047,038	\$2,818,500	\$5,643,706	\$ 76,509,244
Targeted Improvement Instructional Block Grant (TIIG)					\$ 665,778
Special Education Transportation					\$ 258,889
LCFF Target					\$ 77,433,911

# LCFF – Draft Revenue Calculation

# DRAFT

Ln #	Description	Amount
1	LCFF Target (from previous slide)	\$77,433,911
2	Current year Funded ADA times Base per ADA	\$48,135,476
3	2012-13 Categorical	\$10,212,518
4	Transition Base Funding(Line 2+ 3)	\$58,347,994
5	Difference or GAP (Line 1-4)	\$19,085,917
6	GAP Funding (Line 5 X 11.78%)	\$2,248,321
7	LCFF entitlement for 13/14 (Line 4 + 6)	\$60,596,315

# LCFF Supplemental Funds

---

- Supplemental funds based on Free/Reduced Price meals and number of English learners.
- Districts must document how supplemental funds are used to provide services for eligible students
- Generally speaking, supplemental funds are not available for districtwide purposes.
- Funds must be tied to the district's Local Control Accountability Plan (LCAP)....

## Off to Ed. Services