

Local Control Funding Formula Spending Regulations Comparison and Feedback Response Chart

Overview

At the November 6-7, 2013, State Board of Education (SBE) meeting, Agenda Item 13 presented a preliminary draft of the Local Control Funding Formula (LCFF) expenditure of funds regulations pursuant to the requirements of *Education Code (EC)* Section 42238.07.

Following the SBE’s November meeting, staff from the SBE, California Department of Education (CDE), and WestEd reached out to stakeholder groups throughout California. Parents, advocate groups, teachers, pupils and local educational agency (LEA) leadership have reviewed the proposed regulations and template and have provided hundreds of recommendations. This *Feedback Response Chart* is a summary of major recommendations received and an explanation of changes and revisions that were incorporated into the regulations. LCFF demands a high level of responsiveness, transparency, and accountability at both the state and local levels. The law is also based upon the premise that continuous improvement is necessary to improve district performance. The suggestions and input received by SBE, CDE and WestEd staff have resulted in changes to the draft regulations intended to strengthen the collective understanding relating to implementation and clarify the realized expectation of a partnership among state and local stakeholders.

After the January SBE meeting, SBE, CDE and WestEd staff will begin work on guidance materials, and it is anticipated that many of the specific examples received from LEAs will be incorporated into a document that features best practices and may also be used to inform development of the evaluation rubric as required by *EC* Section 52064.5.

Staff members responsible for facilitating the development of LCFF regulations recognize that ongoing stakeholder outreach and input will be critical. It is anticipated that the permanent rulemaking process will be on the SBE’s scheduled meeting agendas through the spring, summer, and fall of 2014.

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Options-Based Approach Three Options for Demonstrating Increased or Improved Services: Spend More, Provide	“Achieve More” as an option should be deleted: <ul style="list-style-type: none"> • The overall goal of LCFF is achievement and “achieve more” is not an appropriate measurement of 	Delete “Achieve More” as an option. Clarify that LEAs must demonstrate increased or improved services by both

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<p>More, Achieve More</p>	<p>expenditures or proportional services.</p> <ul style="list-style-type: none"> • Achievement is measured by looking backwards and cannot provide a meaningful standard for measuring expenditures. • “Achieve more” is flawed with too many loopholes since there are too many options to define what constitutes “achieve more.” <p>Combine Spend More and Provide More</p> <ul style="list-style-type: none"> • The regulations should require that LEAs “spend more to provide more.” <p>Support for an Options-Based Approach</p> <ul style="list-style-type: none"> • The regulations should require the LEA to articulate how it intends provide additional services, consistent with the “provide more” option. • Provide viable and meaningful options that recognize the diversity of LEAs across the state. 	<p>describing increased and improved services <u>and</u> spending in the Local Control and Accountability Plan (LCAP). See proposed <i>California Code of Regulations, Title 5 (5 CCR) section 15496</i>. Requirements for LEAs to Demonstrate Increased or Improved Services for Unduplicated Pupils in Proportion to the Increase in Funds Apportioned for Supplemental and Concentration Grants, located in Attachment 3.</p> <p>Rationale: These changes meet the requirements of statute that LEAs demonstrate increased <i>or</i> improved services.</p>
<p>Demonstration of Proportionality</p> <p>LEAs demonstrate how an increase or improvement in services is in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated pupils.</p>	<p>LEAs should demonstrate proportionality in LCAP.</p> <p>Provide a defined standard methodology for calculation of supplemental and concentration grants received each year by having the state calculate for all LEAs both the supplemental and concentration targets that will be received at full implementation as well as the</p>	<p>Provide a defined standard methodology for LEAs to calculate the supplemental and concentration grants received each year until full implementation is reached. Specifically, provide a formula for LEAs to calculate proportionality that compares the services that were provided to unduplicated pupils to the services that were provided to all pupils</p>

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	<p>amount of supplemental and concentration grant funds received each year</p> <p>Allow LEAs to show how they determined the amount of supplemental and concentration grant funding received in a given year for use in the proportionality calculation.</p> <p>Provide a formula for LEAs to calculate proportionality that compares the services that were provided to unduplicated pupils to the services that were provided to all pupils. This comparison would be proportional to the comparison of supplemental and concentration funds to base funds in a given year.</p>	<p>using the methodology provided in proposed 5 CCR section 15496. Requirements for LEAs to Demonstrate Increased or Improved Services for Unduplicated Pupils in Proportion to the Increase in Funds Apportioned for Supplemental and Concentration Grants, subdivision (a), located in Attachment 3.</p> <p>LEAs shall provide evidence in the LCAP to demonstrate how services for unduplicated pupils will be increased or improved in the fiscal year. (See proposed 5 CCR section 15497. Local Control and Accountability Plan and Annual Update, located in the LCAP template in Attachment 3.)</p> <p>Rationale: The proposed regulations are consistent with the statute which states that the proportionality standard applies to the increase in funds generated by unduplicated pupils. The regulations specify a defined and transparent approach that aligns with the details provided in the LCAP. The regulations recognize variation in local implementation context balanced with transparency by requiring a description in the LCAP as to how the requirements are being met.</p>

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		<p>The proposed regulations include a specific formula to calculate how much supplemental and concentration grant funding is received in a year when the state is still transitioning to fully funding the LCFF (estimated to be 2020-21). Until an LEA reaches its LCFF funding target, the amount of funding it receives in a fiscal year that is attributable to supplemental and concentration grants depends on the LEA's estimated amount of expenditures in 2013-14 and the amounts expended in subsequent years that build up from that locally-estimated starting point. While the state cannot calculate this amount for an LEA, because LEAs will vary in the levels of services provided to low-income pupils, English Learners, and foster youth as compared to all pupils in 2013-14, the regulations now require a uniform method of calculating this amount.</p> <p>LEAs will be able to estimate their LCFF supplemental and concentration grant targets (i.e., the amount the LEA will receive when the formula is fully funded), by following the LCFF formula in statute and multiplying the number of pupils by the applicable base, supplemental, and</p>

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		<p>concentration grant amounts. A calculator maintained by the Fiscal Crisis Management and Assistance Team is one of the tools available to LEAs to help accurately calculate this number. The statutory formula used to determine every LEA's supplemental and concentration grant target requires, among other things, the average daily attendance by grade level and accurate local enrollment data, including the total number of pupils, and unduplicated numbers of low-income pupils, English Learners and foster youth. The calculations must be done every year due to changes in local pupil populations. While every LEA will be reporting these enrollment and average daily attendance data to the CDE for the apportionment process, these data will not be available for the LCAP planning process, therefore, LEAs should use the more current and accurate local enrollment projections they have done in the spring for purposes of the calculation.</p>
<p>Districtwide, schoolwide, countywide, charterwide services Authorized services to be provided on a</p>	<p>Create an explicit threshold for consistency across LEAs:</p> <ul style="list-style-type: none"> • Range of comments to create a <i>districtwide, countywide, or charterwide</i> threshold of 70%, 65%, 55%, or 40%. 	<p>Establish a specific threshold for school districts that have an enrollment of unduplicated pupils in excess of 55% of the district's total enrollment to expend funds districtwide. Establish a specific threshold</p>

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<p>schoolwide, districtwide, countywide or charterwide basis without a specific threshold.</p>	<ul style="list-style-type: none"> • Range of comments to create a <i>schoolwide</i> threshold of 70%, 55%, 40%, or 35%. <p>Support allowing LEAs to provide services on a schoolwide, districtwide, countywide, or charterwide basis with explanation of benefit to unduplicated pupils.</p>	<p>for school districts that have an enrollment of unduplicated pupils in excess of 40% to expend funds schoolwide.</p> <p>School districts with enrollment above these thresholds would be required to identify in the LCAP the services that are being provided on that basis and describe how those services are meeting the district's goals for unduplicated pupils in the state priority areas. School districts with enrollment of unduplicated pupils below these specified thresholds would also identify services in meeting LCAP goals, and additionally describe how those services are the most effective use of the funds to meet the LCAP goals for students in need.</p> <p>A county office of education expending supplemental and concentration grant funds on a countywide basis or a charter school expending funds on a charterwide basis would be required to identify in the LCAP the services that are being provided on that countywide/charterwide basis and describe how those services are meeting the goals for unduplicated pupils in the state priority areas.</p> <p>(See proposed 5 CCR section 15496. Requirements for LEAs to Demonstrate</p>

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		<p>Increased or Improved Services for Unduplicated Pupils in Proportion to the Increase in Funds apportioned for Supplemental and Concentration Grants, subdivision (b) (1)-(5), located in Attachment 3.)</p> <p>Rationale: It is necessary to clarify a specific threshold in order to support implementation and transparency. The 55% threshold was selected for school districts because it is consistent with the 55% threshold for the receipt of concentration grants and thus presumes a concentration of students in need across the LEA. The 40% threshold was selected for school districts because it is consistent with the schoolwide threshold in Title I statute. Allowing LEAs below the thresholds to provide services in a schoolwide, districtwide, countywide, or charterwide manner with additional justification is consistent with the statute which allocates funds at the LEA (e.g., school district, county office of education, and charter school) level.</p>

November SBE Draft Local Control and Accountability Plan Template	Summary of Comment and Feedback	January Proposed Regulations

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<p>Demonstrate how LEAs are meeting the expenditure regulations in the LCAP.</p>	<p>Support for the demonstration of proportionality in the template.</p> <p>Template should have a section to require LEAs to demonstrate which services, if any, are being provided on a schoolwide or districtwide/countywide, or charterwide basis.</p> <p>Require LEAs to show an accounting of all LCFF funds broken out by base, supplemental, and concentration dollars for the LEA and for each school site in the LEA.</p>	<p>Continue to include a means to demonstrate that the LEA is meeting the expenditure regulations in the template. (See proposed 5 CCR section 15497. Local Control and Accountability Plan and Annual Update Template, Section 3 Actions, Services, and Expenditures, subparts (C) and (D) of the LCAP template located in Attachment 3.)</p> <p>Require LEAs to identify how additional supplemental and concentration funds are being used on a schoolwide, districtwide, countywide, or charterwide basis in the template. (See proposed 5 CCR section 15497. Local Control and Accountability Plan and Annual Update Template, Section 3 Actions, Services, and Expenditures, subparts (C) and (D) of the LCAP template located in Attachment 3.)</p> <p>Rationale: <i>EC</i> Section 42238.07 requires LEAs to increase or improve services in proportion to the increase in supplemental and concentration grant funds received in a fiscal year. The statute does not require LEAs to continue to address the supplemental and concentration funds used in a prior year, except when demonstrating how services are being increased or improved in the current year. The LCFF statute does not require school site expenditure data, and such a requirement was deleted from the final version of the</p>

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		legislation; however, LEAs may include such information if useful.
<p>Require LEAs to include a needs analysis and identify data used.</p>	<p>Provide common definitions of data elements to allow for comparison across all LEAs.</p> <p>An independent needs analysis is not supported by statute. Any needs analysis should be explicitly linked to the goals in the plan.</p>	<p>Included a needs analysis and identified metric in the “Goals and Progress Indicators” section to allow for more explanation of the rationale for a goal and to identify metrics the LEA will use to measure progress toward a goal. Also included applicable Education Code sections that require that specific data be used to evaluate state priorities. (See proposed 5 CCR section 15497. Local Control and Accountability Plan and Annual Update Template, Section 2 Goals and Progress Indicators, of the LCAP template in Attachment 3.)</p> <p>Rationale: This meets the statutory requirement and creates a transparent process when the LEA is setting its goals.</p>
<p>Allow an LEA to group school and subgroup goals when goals are the same for more than one school or subgroup, but identify where there is differentiation for a subgroup or school site.</p>	<p>Require LEAs to answer all questions for each school site and each subgroup even if the answers are the same.</p> <p>Include guiding questions and structure to ensure the LEA identifies actions that meet the unique needs of all subgroups (example: foster youth)</p> <p>Require LCAP to identify how services are closing the achievement gap for subgroups.</p>	<p>Strengthen language to ensure that LEAs are analyzing all subgroups and school sites individually by adding instructions regarding alignment to school goals in school plans, adding guiding questions to ensure unique needs of school sites and subgroups are addressed, and adding columns to identify applicable subgroups and affected schools for each identified goal. Continue to allow grouping of the goals if the goal is applicable to more than one subgroup or school site. (See proposed 5 CCR section 15497. Local Control and</p>

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		<p>Accountability Template and Annual Update, Section 2 Goals and Progress Indicators, located in Attachment 3).</p> <p>Amend guiding questions and create separate section in the “Actions, Services, and Expenditures” tables to ensure unique needs of subgroups are met. (See proposed 5 CCR section 15497. Local Control and Accountability Template and Annual Update Template, Section 3, Actions Services, and Expenditures of the LCAP template in Attachment 3.)</p> <p>Rationale: These changes meet the requirements of statute that the LCAP include goals for all subgroups and school sites, but also retain the principle of simplicity and transparency. These changes are also consistent with the statute, which allocates funds to the LEA, not to school sites. Requiring each data point for every subgroup and school site could result in a template that is overly complex and lengthy; for example, large districts could have over 1,000,000 data points. The goal is for the LCAP to be a dynamic planning tool for the LEA and an understandable document for parents and community members.</p>
Other	Delay the adoption of the template until March so there is more time for public input.	Since the November meeting, SBE staff conducted multiple meetings with over 40 diverse stakeholder groups. Prior to these meetings,

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	<p>Clarify in the template the unique requirements that are applicable to charter schools and county offices of education.</p> <p>Combine Section 2 (Goals and Progress Indicators) and Section 3 (Actions, Services, and Expenditures) of the template to better align goals and expenditures.</p> <p>Create an electronic format of the LCAP to facilitate ease of use.</p> <p>Require electronic reporting of state priority data.</p> <p>Create a set timeline for the SBE to review and adjust the LCAP template as necessary.</p>	<p>the groups were provided a draft template and given an opportunity to comment. A revised draft template, in Spanish and English, was posted on the WestEd website on December 12, 2013. Education Code sections are listed and descriptions included in those cases where different requirements apply.</p> <p>Based upon feedback and experience from the field, additional changes to the template will be considered in the permanent rulemaking process and in subsequent years</p> <p>SBE staff will work with CDE to pursue the creation of an electronic template for future LCAP submissions. The SBE is committed to receiving regular LCFF updates and making adjustments to the template as necessary. In the future, this process may be standardized.</p> <p>Rationale: These suggestions further the creation of an operational template. Other suggestions, such as providing a forecast of LCFF funding, are outside the scope of statute and the SBE's authority.</p>