

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

November 25, 2013

Dr. Michael Kirst, President
California State Board of Education
1430 N Street, Suite 5111
Sacramento, California 95814

Dear President Kirst and members of the State Board of Education:

The statute that created the new Local Control Funding Formula (LCFF) and related local planning and accountability provisions for the state's K-12 education system entrusts critical elements of LCFF regulation and implementation to the State Board of Education. We are concerned that the draft regulations considered at your most recent board meeting are inconsistent with the intent and letter of the law enacted in June. We seek to clarify legislative intent and suggest options as you undertake the complex task of ensuring local autonomy while providing required state guidance to ensure that funds allocated for the neediest students are spent for their benefit.

During its November 7 meeting, the board reviewed draft proposals related to statutory directives requiring 1) the adoption of regulations governing expenditure of funds generated by low-income, English learner and foster pupils and 2) the adoption of templates for use by local education agencies to complete a local control and accountability plan (LCAP).

We are encouraged that a number of board members in their comments recognized the need for substantial revisions to the draft regulations and for further stakeholder engagement on revised documents well in advance of the board's next meeting scheduled for January 15-16, when the board is expected to take action on both fronts. However, the board did not provide clear direction to staff on specific revisions to the proposed regulation, nor on a particular timeline or process for stakeholder review. It is therefore unclear to us and to the public how extensively the proposals will be reworked, and how and when the board will engage stakeholders further.

Several issues demand attention. First, the expenditure regulations fall short of the fundamental tenet behind the LCFF that supplemental and concentration grant funds are to be provided above the basic grant for the additional costs of educating high-needs students. That means spending more on these students to provide them increased or improved services beyond the core program (Education Code Section 42238.07). The three options among which local education agencies could choose to demonstrate that provision – “spend more,” “provide more,” or “achieve more” – risk establishing significant loopholes that could allow monies intended for and generated by disadvantaged students to be spent in other ways. The statute allows for an exception that these funds may be used for district wide, school wide, county wide and charter wide approaches to be regulated by the board, but the chief purpose of these funds is to support supplemental services to disadvantaged students.



Second, the proposed LCAP template lacks the strong emphasis we expect to see placed on local site or district planning for all state priority areas specified in statute. In our view, the template must require all state priority areas to be addressed, such that the initial plan and updates include annual goals, specific actions, and planned expenditures as required by statute (EC section 52060, see specifically subdivision (c), and Section 52061).

As your deliberations progress, we also ask you to keep in mind the following:

- The draft regulations' "achieve more" option strays substantially from the statutory directive to the board to regulate LCFF expenditures. The goal of increased student achievement is universally embraced, but does not belong in regulations explicitly intended to govern expenditures. In fact, that statute did not contemplate the "achieve more" option as an expenditure related element (EC Section 42238.07 and related Sections 2574, 2575, 42238.02 and 42238.03). We know that "achieve more" is a measurement of performance, not expenditures. However, the expenditures should reflect the programs and support needed for targeted students to achieve more.
- Regarding the potential use of supplemental and concentration funds for school and district wide programs, legislative intent was that the board establish through regulation an explicit threshold for such expenditures, and that it be consistent with the minimum under Title I of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec 6301, et seq.) (now set at 40% for school wide programs). This consistency was intended to prevent districts and schools from having to adhere to significantly different federal and state thresholds, but also to ensure that supplemental and concentration funds are only used on a school-wide basis at sites where a significant proportion of disadvantaged students is enrolled. (EC Section 42238.07)
- We suggest that the regulations adopted by the board include a standard methodology that is preferred, if not required, for calculating and displaying the annual amount attributed to supplemental and concentration grant funds.
- The format and content of the LCAP template must enable meaningful statewide comparisons of student/school outcomes and growth data. If the template does not enable such comparisons, statutory requirements that LCAPs annually be aggregated at both county and state levels will be rendered largely meaningless (EC Section 52065). The template must also anticipate the Board's subsequent discussions around the evaluation rubrics which must be designed to allow meaningful comparisons over time and across schools and districts of the varied quantitative and qualitative outcome information concerning the state priority areas.
- Transparency of school- and district-level expenditures in the LCAPs is essential for local accountability and public/parent participation. Without adequate information about local expenditures, parents and the public will not have the information they need to engage the decision-making process. Specifically, we suggest the following:
 - For each service listed among expenditures serving unduplicated pupils and pupils re-designated as fluent English proficient, the LCAP template should require specification of whether the service will be delivered district-wide or on a

school-site basis. (EC Section 52061, see specifically paragraph (4) of subdivision (a))

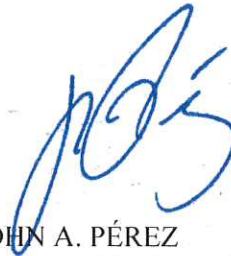
- Is the service for all students or targeted only to unduplicated students and students re-designated fluent English proficient?
- How is the service an increase or improvement for unduplicated pupils, both relative to last year's program for these pupils and to this year's core program delivered to all students?
- How does the service relate to closing the achievement gap as determined by student performance data on both state and local measures?

We appreciate the scope and complexity of the task before you and wish to support you in your deliberations however we can. The goals of the LCFF are multi-fold, encompassing equity, flexibility, accountability and transparency. If statutory changes are needed to realize the promise of the LCFF, we are prepared to make them.

Sincerely,



DARRELL STEINBERG
Senate President pro Tempore



JOHN A. PÉREZ
Speaker of the Assembly



MARK LENO
Chair, Senate Committee on Budget and
Fiscal Review



NANCY SKINNER
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