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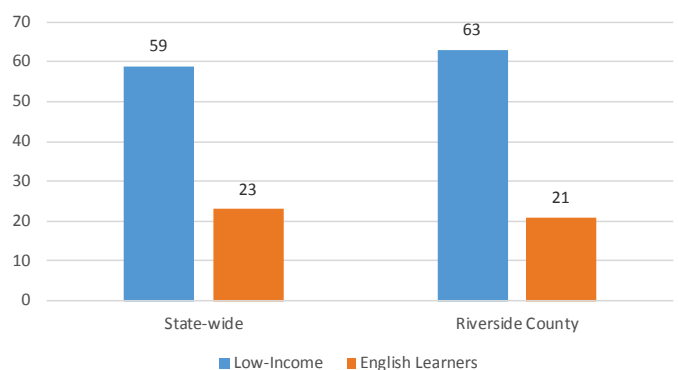
# IMPLEMENTATION OF THE LOCAL CONTROL FUNDING FORMULA IN RIVERSIDE COUNTY

BY GRACE LEE '17

California defines high-need students as low-income, English Learner, or foster care youth. According to the Public Policy Institute of California, 63% of California’s K-12 students are considered high-need. 59% of students in California are low-income (eligible for free or reduced-priced meals), and 23% are English learners. In Riverside County, a significant portion of students are high-need, with 63 % of students who are low-income and 21 % who are English learners. To better equip school districts to serve these students who require additional resources and support, California enacted the Local Control Funding Formula (LCFF) in 2013, replacing a 40-year school finance system.

As a case study, the Rose Institute surveyed Riverside County school district administrators on LCFF implementation. Ten out of 23 districts in the county responded. The topics covered ranged from changes in the dynamic between the school district and the Riverside County Office of Education to examples of new district programs or initiatives to support high-need students. The responses to this survey are an insightful lens into how some school districts have adapted to the new state school funding system. They also allow us to examine remaining challenges as we assess the program’s effectiveness.

State-wide vs. Riverside County Student Demographics (2013-14)

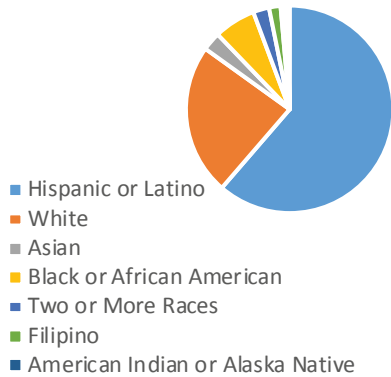


Source: Ed-Data

Riverside County school districts have a large portion of minority, low-income, and English Learner students. The largest demographic is Hispanic or Latino students, who make up 61% of the student body. The next two largest groups are White, not Hispanic (24%) and Black or African American (7%). Of the 21% of English Learner Students, about 84% speak Spanish. A full 63% of students are low-income, defined as qualifying for free or reduced-price meals.

The Riverside County school districts’ student performance is below the average California statewide student performance. The 2013 county-wide Academic Performance Index (API) score, which measures students’ standardized test scores, was 777 for Riverside

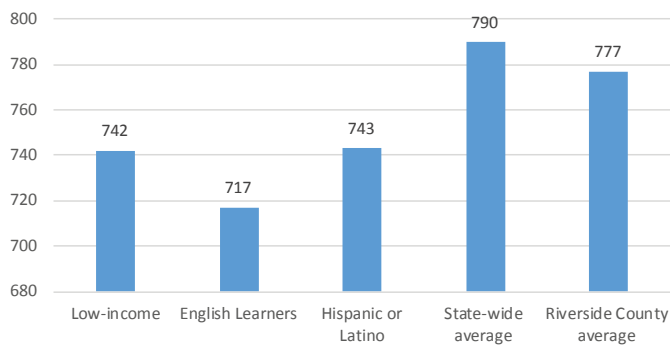
### Students by Race/ Ethnicity in Riverside County (2013-14)



Source: Ed-Data

County. The state-wide API score was 790. Moreover, an examination of the state-wide API scores based on subgroups of students shows the academic performance for high-need students and Hispanic or Latino students is noticeably below average. See Figure 2. The data illustrates that high-need students have lower academic performance results, and therefore school districts that serve these students require more resources and support to improve performance.

State-wide API Scores of High-Need & Hispanic/Latino Students (2013)



Source: California Department of Education

LCFF was intended to give more flexibility to school districts by substantially shifting control of spending from Sacramento to local school districts. The previous California school funding formula gave districts restricted funding for over 50 categorical programs for targeted services based on demographics and needs of students in each district. In this system, districts were tied to spending and reporting requirements of dozens of state categorical programs.

LCFF creates a more equitable school funding formula by directing greater resources to districts serving large numbers of high-need students. It distributes funding

to districts through three grants: the base grant, the supplemental grant, and the concentration grant. The base grant is a uniform grant for each school district based on per unit of average daily attendance (ADA). The supplemental and concentration grants are focused on providing extra resources for districts serving high-need students. LCFF gives a 20% supplemental grant to districts for each high-need student. Districts where high-need students are concentrated receive an extra 50% for every high-need student above the 55% threshold. High-need student counts are based on unduplicated counts. For example, a student who is both an English Learner and in foster care would not be double counted. School districts have flexibility on how they can use the supplemental and concentrated grants, embracing the idea that social problems are best dealt at the local level.

Nine out of 10 school districts participating in this survey answered that LCFF’s increased flexibility for districts has helped them better address the needs of high-need students. School districts particularly noted that they are better able to target needs. One district administrator answered, “We are now able to target those needs based on data analysis and provide more direct assistance to targeted groups. Before even if a group was doing well the funding had to be used for them when perhaps others needed it more.” Another commented that, “Without restrictions on spending and demands for spending (e.g. EIA [Economic Impact Aid]) we are able to create short and long-term goals to address the needs of our English learners.” One district administrator did not agree, saying administering the program has become more difficult “because it is not restricted and it isn’t clear what can be negotiated or not.”

In exchange for greater flexibility through LCFF, however, there is greater accountability. Although districts have discretion on how to spend the extra funding provided by the supplemental and concentration grants, they must make decisions of how to spend funds in a public way by engaging community stakeholders. All districts must draft the Local Control Accountability Plan (LCAP) and must engage community stakeholders through organizing parent advisory committees, consulting students, teachers, principals, and offering the public an opportunity to submit input.

LCAPs must describe goals, actions, and expenditures to show how they plan to address state priorities. The eight state priorities include: basic, state standards,

parental involvement, pupil achievement, pupil engagement, school climate, course access, and other pupil outcomes. Of the ten districts in our survey, four reported they focused the highest portion of resources in 2015-16 or for future years in pupil achievement. Three focused on implementation of state standards, and the remaining three each focused on one of the following: pupil engagement, school climate, and basic services.

District administrators were asked how successful their district was in engaging stakeholders, on a range from 1 (extremely unsuccessful) to 5 (extremely successful). Three districts answered 3 (mildly successful), four answered 4 (moderately successful), and three answered 5 (extremely successful). The most common answers to greatest obstacles of engaging stakeholders were parent involvement and getting stakeholders to attend meetings. Other responses included synthesizing and organizing input, educating stakeholder members to a new process, and time.

Many districts pointed out stakeholder engagement as a work in progress. One administrator commented, "There is far more stakeholder involvement and a far deeper look at accountability when directing resources. It's also been a challenge to keep the focus on service to students at the negotiations table." Another school district answered, "We are able to be very targeted in our approach but prioritizing is very difficult for our stakeholders."

In responding to the question of who the key stakeholders in the district are who want money to be spent on particular programs or groups of students, three districts mentioned employee associations, bargaining units, and labor units. Another common response was parents of English Learner students. Overall, however, the majority of districts answered that there has been limited advocacy and debate, and it has been more of a collaborative and engaging process.

LCFF includes a spending regulation where districts will eventually have to earmark certain percentage of money to serving high-need

students. Districts will principally have to direct supplemental and concentration grant dollars toward meeting goals for high-need students. However, until LCFF is fully funded, which is expected to be in 2020-21, districts get a break from this regulation.

Districts were asked the question of whether labor unions have played any part in asking for increases in salaries, especially in 2013-14, when state spending regulations were not yet drafted and LCAPs were not required until 2014-15. Seven districts answered yes and two districts answered no. One district answered that the teachers union "has been part of the work since the inception of our LCAP engagement system... [but] the supplemental LCFF funding will not be used for salaries through a MOU [memorandum of understanding]."

A study published by Education Trust - West, titled "Building a More Equitable and Participatory School System in California: The Local Control Funding Formula's First Year," found it difficult to trace how school districts are spending supplemental and concentration funds in the early years of LCFF implementation. It instead conducted interviews to determine, among other things, how the districts propose to invest in high-need students.

The authors of the report wrote, "In general, districts offer only modest innovation in the first year. Instead, most districts are shoring up rising staffing costs, restoring programs and personnel cut during the Great Recession, preserving programs previously funded by categorical aid, and adding one or two programs for high-need students." The Rose Institute asked Riverside County school districts whether this was true for their district. The responses were split evenly between districts that answered yes and no. School districts that answered "no" discussed changes they have already made. These included a seven-period day, 1:1 Chrome book roll out, new specialists and programs, technology integration, instructional alignment and strategies, and collecting longitudinal district data to identify areas of focus.

Two school districts noted the modest



innovation was mostly due to adjusting to the new system. One administrator answered, “I agree that we only showed modest innovation the first year, but I don’t believe it was because we were restoring staffing from the Great Recession. I believe the modest innovation was more a consequence of not understanding LCAP process and guidelines. As we are understanding the vision behind the LCAP we are getting the hang of it and so far, we have made major overhauls to the plan every year. We are now completing our 3rd LCAP and it gets better and better and more innovative and specific each year.” The second district noted that a large amount of time, energy, and people were dedicated to categorical programs, and it took time to adjust.

Riverside County school districts shifted resources and added new programs to invest in students in a variety of ways, such as reducing class sizes, instituting full day kindergarten, extending the school year, and investments in career and technical education. Many districts mentioned adding specialists and investing in professional development. Examples included:

- Intervention teachers to work with low-socioeconomic-status students,
- Intervention focused on foster youth and at-risk learners,
- Programs on restorative justice and Positive Behavior Interventions and Supports (PBIS),
- Mentoring for African-American students,
- Family intervention specialists to work with parents,
- Counselors for at-risk youth and career and technical education teachers,
- Professional Learning Community (PLC) time for teachers to explore student data.

Public Policy Institute of California (PPIC) published a report titled “Implementing California’s School Funding Formula: Will High-Need Students Benefit?” The report highlights the importance of examining spending plans

of districts in which high-need students are concentrated in only a few schools. It can be a concern that such districts may not be directing

EXAMPLES OF HOW DISTRICTS ARE USING LCFF	
Program	Spending
Site instructional coach at each school	\$1.6 million
Seven-period day	N/A
Blended learning environment (instructional technology)	\$150,000
Staff development	\$950,000
Program specialists	\$5 million
Middle school acceleration: Spanish 1, Coding, Expository Reading and Writing, PSAT	\$200,000
Professional development specialists to support teachers	\$2 million
Summer extended literacy camp	\$850,000
1:1 Chrome book initiative	\$4 million
Increase number of under-represented students in AP classes	\$900,000

funding to the schools that serve large portions of high-need students or to programs that reach these students. PPIC found that the most unevenly distributed high-need students are in the Bay area, Sacramento, and parts of Southern California. The report noted the importance of conducting further research on how the increased funding generated from LCFF has been used by the districts in these areas.

The Rose Institute asked Riverside County district administrators how their districts were able to allocate funds to address within district disparities. Many school districts answered that they use research and data and strategically

allocate benefits to help target students. Three school districts answered that they provide funds based on the proportion of unduplicated students (high-need students, not double counted) per school. One administrator responded, “We have been strategic in our allocation of centralized services and funding to our schools in support of high-need students. Every school is allocated funding to address the supplemental programs at the school site based on a per pupil allocation for unduplicated students. Those schools with higher numbers of high-need students are the first to be able to access centralized services such as AVID, Equal Opportunity Schools and Reader by Nine.” Two school districts noted that high-need students are distributed fairly evenly throughout the district, thus this was not a concern.

The PPIC report also noted that LCFF “gives counties new responsibilities to make sure that districts use supplemental and concentration funds principally for the benefit of high-need students.” The Rose Institute asked school districts whether they believed their relationship with the Riverside County Office of Education has changed. Six districts answered that it has changed, and four answered it has not. Districts that answered “yes” noted that they have been receiving more support than previously and the process has become more of a collaboration. One administrator noted that “There is a judgment factor between county offices and local districts,” alluding to the potential differences between the school district and the county education office on ways each believes LCFF dollars should be spent.

Riverside County Office of Education officials have embraced LCFF as a way for the county office to better support school districts.

*“LCFF has provided a great opportunity for county offices of education to work collaboratively with school districts. A requirement of LCFF is the development of the Local Control and Accountability Plan (LCAP). This locally developed plan allows districts to focus actions and resources that best meet the needs of their diverse student population. As a county office, we are able to provide targeted support to districts as they develop their plan. The support includes data analysis, research-based actions, stakeholder meeting attendance, and development collaboration. I believe our districts view us as a resource and a partner in the development and implementation of their LCAP.”*

- Cynthia Woods, Chief Academic Officer at the Riverside County Office of Education

Although it has only been a couple of years since LCFF has been implemented, there have already been many changes and initiatives in Riverside County school districts to increase resources for high-need students. Although it may take some time to adjust to a new school funding structure, it appears that much progress has been made. Identified challenges include engaging stakeholders in the process to draft Local Control Accountability Plan reports, ensuring resources are going to high-need students in districts where such students are concentrated in a few schools, and the relationship between school districts and the county offices of education in monitoring spending of supplemental and concentration grants.