



GETTING DOWN — TO FACTS II —

Technical Report

The Local Control Funding Formula (LCFF): What Have We Learned After Four Years of Implementation?

Julia E. Koppich
J. Koppich & Associates

Daniel C. Humphrey
Independent Consultant

September 2018

About: The *Getting Down to Facts* project seeks to create a common evidence base for understanding the current state of California school systems and lay the foundation for substantive conversations about what education policies should be sustained and what might be improved to ensure increased opportunity and success for all students in California in the decades ahead. *Getting Down to Facts II* follows approximately a decade after the first *Getting Down to Facts* effort in 2007. This technical report is one of 36 in the set of *Getting Down to Facts II* studies that cover four main areas related to state education policy: student success, governance, personnel, and funding.

Stanford
University

 **PACE**
Policy Analysis for California Education

**The Local Control Funding Formula (LCFF):
What Have We Learned After Four Years of Implementation?**

Julia E. Koppich
J. Koppich & Associates

Daniel C. Humphrey
Independent Consultant

With the assistance of:
Laura Tobben
University of California, Berkeley

Eileen Behr
Behr Administrative Solutions

Introduction

Today I'm signing a bill that is truly revolutionary. We are bringing government closer to the people, to the classroom where real decisions are made, and directing the money where the need and challenge is greatest. [Today] is a good day for California, it's a good day for school kids, and it's a good day for our future (Governor Jerry Brown, 2013).

The Local Control Funding Formula (LCFF), signed into law by Governor Jerry Brown on July 1, 2013, represents an historic and path-breaking shift for California, the first comprehensive change in the state's education funding system in 40 years. The new funding formula eliminates nearly all state-apportioned categorical funding streams, shifting control of most education dollars from the state to local school districts. Each district now receives a base funding allocation and, in keeping with the law's equity focus, added dollars—supplemental and concentration grants—to increase programs and services for low-income students, English learners, and foster youth.

The LCFF empowers school districts to determine how to apportion these dollars to best meet the needs of their students through a process of stakeholder engagement. The law requires each district to develop a kind of fiscal strategic blueprint, called a Local Control and Accountability Plan (LCAP), based on eight state-established educational priorities. Finally, the LCFF establishes a new state accountability system and substantially expands roles for County Offices of Education (COE). In sum, the LCFF upends much that previously governed California education finance and decision-making for decades. *(For a complete description of the LCFF, see the ["Just the Basics" section of this paper.](#))* This paper delves into several particulars of the law and endeavors to answer the question, "What have we learned after four years of LCFF implementation?"

Four Years of Research

This paper lays out results of four years of LCFF implementation research in five key areas: responses to the new law, resource allocation, stakeholder engagement, LCAPS, and COEs. The paper relies largely on a synthesis of LCFF implementation research conducted, beginning in 2013, by the Local Control Funding Formula Research Collaborative (LCFFRC), a group of experienced policy researchers that has come together to study the new law.¹

Between 2013 and 2017, the LCFFRC completed 30 case studies of districts around the state that were selected for their variation in location, size, student population, and other factors that render them collectively illustrative of the diversity of California districts and students. In the course of these case studies, LCFFRC researchers conducted more than 500 interviews with district staff, school board members, union and association representatives, parents and community members, and county office of education officials, as well as reviews of

¹ Principal LCFFRC researchers are Julia Koppich (J. Koppich & Associates), Daniel Humphrey (Independent Consultant), Julie Marsh (University of Southern California), Jennifer O'Day (American Institutes for Research), Magaly Lavadenz, (Loyola Marymount University), and Laura Stokes (Inverness Research).

more than 80 LCAPs and interviews with 36 COE superintendents and key staff. In addition, between September 2017 and March 2018, the LCFRC conducted a statewide survey of a stratified random sample of school district superintendents. The superintendent survey was designed to gauge these chief executive officers' perceptions of LCFF implementation and its impact on their districts. We also draw in this paper on the results of a survey of COE superintendents conducted by Policy Analysis for California Education (PACE). (*For more detail on case studies and the superintendent survey, [see the Methodology Appendix](#) at the end of this paper.*)

LCFRC research to date has resulted in six published papers:

- *Toward a Grand Vision: Early Implementation of California's Local Control Funding Formula* (2014)
- *The Local Control Funding Formula: Staking Out the Ground for Early Learning* (2015)
- *Foster Youth and Early Implementation of the Local Control Funding Formula: Not Yet Making the Grade* (2015)
- *Two Years of California's Local Control Funding Formula: Time to Reaffirm the Grand Vision* (2015)
- *Paving The Way To Equity And Coherence? The Local Control Funding Formula In Year 3* (2017)
- *How Stakeholder Engagement Fuels Improvement Efforts in Three California School Districts* (2018).

A report on the results of the statewide superintendents' survey was released at the end of May 2018.²

Audience

This report is designed primarily for an audience of policymakers and prospective policymakers, although it is intended to be useful to a broad audience of those interested in education in California. This is a particularly opportune time to speak with the policy community about the LCFF. The four major Democratic candidates for governor have endorsed the LCFF, though all say they would like to see some as-yet-unspecified changes. At the same time as the state elects a new governor in November 2018, elections will be held for 20 of the 40 state Senate seats and all 80 of the Assembly seats.

The next section of this paper, "Just the Basics," describes the fundamental components of the LCFF. Subsequent sections focus on perspectives on the LCFF, resource allocation, stakeholder engagement, LCAPs, and COEs. The paper concludes with implications of research findings.

² <http://www.edpolicyinca.org/publications/superintendents-speak>

The LCFF: Just the Basics

The Local Control Funding Formula was passed with bipartisan legislative support and signed into law by Governor Jerry Brown on July 1, 2013. *The Atlantic* described the LCFF as a “complex recipe of budgeting mechanisms” (Nittle, 2016). Actually, it is much more. The LCFF represents the most significant change in California K–12 education finance in 40 years coupled with fundamentally new requirements that reshape education governance.

The law represents the culmination of a years-long policy search to replace California’s arcane system of school finance in which a significant portion of dollars was tied to a warren of categorical (special purpose) funds. As a result of Proposition 13, enacted in 1978, nearly all education dollars were controlled and allocated by Sacramento.

The LCFF is based on the principle of subsidiarity, in other words, the idea that decisions are best made at the lowest possible level of government. With the LCFF, California shifted from a largely state-controlled system to one in which decisions about education goals, priorities, and resource allocation are made at the district level based on local needs.³

The LCFF all but eliminates categorical funding streams⁴, substituting a base of funding for all districts and adding dollars, called supplemental and concentration grants, for targeted high-need student populations, identified in the law as low-income students (eligible for free and reduced-price lunch), English language learners (based on results of the state’s home language survey and the English Language Developmental Test), and foster youth (all of whom qualify as low-income).⁵ The LCFF also requires that, in exchange for local fiscal flexibility, districts engage parents and other stakeholders in decisions about priorities and resource allocation. These decisions are organized in local spending plans, called Local Control and Accountability Plans (LCAPs).

In addition, as part of the LCFF, California has adopted a new education accountability system coupled with a multi-layered plan for assistance and intervention in schools that are struggling short-term and those that are chronically underperforming. Most significantly, perhaps, LCFF is built on an equity foundation. The goal is to bring more equity to resource allocation (“equity” as specifically distinguished from “equality”) and engage a broad and

³ The LCFF applies to charter schools as well as traditional public districts. Rules and regulations differ slightly though the basic outline of the requirements is the same.

⁴ The LCFF eliminated two-thirds of categorical programs, retaining only a handful of them, including Foster Youth Services, Partnership Academies, state-funded Early Childhood Education, assessments, and child nutrition. The ECE categorical program illustrates a potential challenge. An examination of some districts that participate in the California’s State Preschool Program found that they rarely made changes in ECE as a result of the LCFF; mention of ECE rarely appeared in their LCAPs. Several district officials described ECE as “not their mission” (Koppich, Campbell, Humphrey, 2015). The four leading Democratic gubernatorial candidates have endorsed state-funded universal preschool, setting up potentially consequential conversations about the relationship between early education and K–12.

⁵ Districts are now also required to include supports and services for homeless students as part of their LCAP decisions. Academic results for homeless students are reported on the new Dashboard.

representative community in decisions about local goals and priorities to improve education outcomes for all students.

It is important to note here that the LCFF is not a classic weighted student formula (WSF). Under a WSF, dollars are allocated to *schools* on the basis of a district-determined formula that takes into account various student needs (such as for special education services or assistance to become proficient in English) and attaches specific dollar amounts to each of these needs. These dollars are part of an individual student’s “backpack” and follow the student from school to school. The LCFF allocates dollars to school *districts*, not individual schools. While additional funds are provided for low-income students, English learners, and foster youth, these added dollars do not attach to individual students, per se. Districts make the determination about how to spend these added funds, and sometimes, though not always, distribute a portion of them to schools to determine how to meet the needs of targeted students at individual schools.

Eight State Priorities

Eight state-determined priorities undergird the LCFF. In requiring that all districts meet these priorities, the state has established a set of baseline conditions designed to ensure that all students succeed. Under the eight priorities, each district must:

1. **Basic Conditions/Services**—Provide all students with access to standards-aligned instructional materials, maintain school facilities in good repair, and ensure teachers are fully credentialed and appropriately assigned;
2. **Academic Content and Standards**—Offer programs and services that enable all students, including English learners, to access Common Core academic content standards;
3. **Parent Involvement**—Make efforts to seek parent input in district decisions and promote parent participation in programs for targeted students;
4. **Student Achievement**—Improve student achievement, including as measured by statewide assessments, percentage of students who complete A-G requirements (for admission to UC/CSU) *or* State Board-approved sequences of courses for career technical education (CTE), percent of students who are reclassified as English proficient, pass an Advanced Placement (AP) exam with score of 3 or higher, or demonstrate college preparedness on the Early Assessment Program;
5. **Student Engagement**—Ensure students have an engaging course of study that keeps them in school, as measured by school attendance rates, chronic absenteeism rates, and middle and high school dropout rates;
6. **School climate**—Support conditions that foster healthy growth and development in and out of the classroom, as measured by student suspension and expulsion rates, and other local measures (e.g., surveys of students, parents, teachers);
7. **Course access**—Ensure all students have access to and are enrolled in a broad course of study; and,

8. **Other student outcomes**—Offer other indicators of student performance in required areas of study.

Distributing the Dollars

While the LCFF created a new way of distributing dollars in California, it did not add new sources of revenue. Rather, the law changed the formula for “determining how available state revenues will be distributed to districts” (Local Control Funding Formula Guide, 2016).⁶

Base funds. The bulk of state funds are distributed to districts in the form of base funds. The base is a uniform amount calculated on a per pupil basis according to Average Daily Attendance (ADA) to support districts’ general services and operations. The size of base grants, allocated in four grade spans (K–3, 4–6, 7–8, and 9–12), are adjusted annually as the cost of living changes. Grades K–3 and 9–12 are funded more generously than the other two grade spans.⁷ Early grades (K–3) receive additional funds to support smaller class sizes; higher grades receive extra dollars in recognition of the generally higher costs associated with them.⁸

Supplemental and concentration grants. LCFF enshrines the notion that ensuring equity of opportunity to reduce achievement gaps requires unequal funding. As Governor Brown noted in his 2013 State of the State,

..... A child in a family making \$20,000 a year or speaking a language different from English or living in a foster home requires more help. Equal treatment for children in unequal situations is not justice. (Governor Jerry Brown, 2013)

Supplemental and concentration grants are designed to enable districts to enhance supports and services for targeted students. This funding is determined based on unduplicated student counts. Students who fall into more than one category, for example low-income and English learner, are counted only once for funding purposes. Each district receives funding equal to 20 percent of its base grant for each targeted student (supplemental grant). Districts in which more than 55 percent of students are high need are eligible for concentration grants, calculated as 50 percent above the base grant for each student above the 55 percent threshold. The law requires that a district allocate supplemental and concentration funds in proportion to the increase in supplemental and concentration funds it receives. Originally called

⁶ In the *Serrano vs. Priest* cases in the 1970s, the California Supreme Court held that the state’s system of financing schools through property taxes violated the state constitution. From *Serrano* until LCFF, education dollars largely came from the state to local school districts. Proposition 98, approved by California voters as an amendment to the state Constitution in 1988, sets a minimum annual funding level for K–12 schools. Prop. 98 dollars constitute more than 70 percent of total K–12 funding.

⁷ The former Career and Technical Education (CTE) categorical dollars were added to the grades 9–12 allocation.

⁸ Approximately 100 of California’s nearly 1,000 school districts are classified as basic aid. In these districts, property taxes meet or exceed the amount the district would receive from LCFF funds. Basic aid districts are allowed to keep all of their property taxes, even if they are more than their LCFF funds would be, but they receive no LCFF funds.

“proportionality,” this provision was renamed the “increased or improved services requirement” in 2017.

Early full funding. LCFF originally was expected to reach full funding in 2020–21. However, funding is two years ahead of schedule; the Governor’s 2018–19 budget fully funds LCFF this year. Under a hold harmless provision, all districts were promised that at full funding, per student revenue would be no less than its 2008–09 level. As a result of Proposition 30, the temporary education tax approved by California voters in 2012 and reauthorized as Proposition 55 in 2016, as well as several years of a healthy state economy, most districts are at revenue levels well above those originally guaranteed.⁹

Engaging Stakeholders

In addition to distributing dollars using a substantially different formula, the LCFF implements a system of local priority setting and resource allocation centered on stakeholder engagement. In exchange for fiscal flexibility, districts must consult with a variety of local stakeholders as they set district goals, establish fiscal priorities, and determine strategies to achieve those goals. The LCAP serves as the principal vehicle for engagement and local decision-making.

The law does not specify what engagement should look like beyond a few barebones requirements. Districts must consult with parents¹⁰ (including a Parent Advisory Committee that includes representatives of targeted student groups and an English Learner Parent Advisory Committee), principals, teachers, other staff, students, and, local employee unions.¹¹ In addition, districts must hold a public hearing before the school board adopts the LCAP. Beyond this, districts largely are left to their own devices to determine the structure of the engagement process.¹²

In addition, while the law requires “engagement,” the LCAP calls for *meaningful* engagement. How to define and achieve meaningful engagement is also quite open to interpretation though guiding questions in the LCAP template offer some pointers: Did engagement occur early in the process? What information and metrics did the district provide parents and members of the district advisory committee? What changes were made to the

⁹ Agreeing district revenue levels are above what LCFF promised is not the same as suggesting levels are adequate. *See the Resource Allocation section of this report for more.*

¹⁰ The term “parents” encompasses parents, guardians, foster parents, and education rights holders.

¹¹ The language of the LCFF refers to consultation with “local bargaining units.” Bargaining units consist of the employees covered by a collective bargaining agreement, teachers, for example. In practice, the law has been widely interpreted to include an obligation to consult with “bargaining agents,” the organizations elected to represent the employees for purposes of negotiating the contracts.

¹² More detail on the engagement processes districts are using can be found in the [Stakeholder Engagement section of this paper](#) as well as in Julie A. Marsh, Michelle Hall, et al., “*Taking stock of stakeholder engagement in California’s Local Control Funding Formula: What can we learn from the past four years to guide next steps?*,” in this series.

district LCAP as a result of the suggestions received? Did the district listen to the school site councils?

The LCAP

The Local Control and Accountability Plan (LCAP) is designed to serve three purposes: engagement, planning and budgeting, and accountability.¹³ Districts are required to use the State Board of Education-developed LCAP template that has been revised twice since it was first introduced in 2014–15.

A three-year plan with annual updates, the LCAP is developed around the eight state priority areas. Districts can add local priorities as well. Districts must itemize goals to meet each priority, spell out actions, services and programs to achieve the goals, and include costs for implementing each strategy and metrics to measure progress.

While the overarching goal of the LCFF is to improve performance of all students, the LCAP pays special attention to targeted students. Districts must cite the amount of supplemental and concentration funding they receive and describe how the district's actions and spending plan will increase or improve services for them. Annual LCAP updates are designed to appraise the effectiveness of actions the district took and describe any modifications to goals and actions the district plans to make.

The law specifies the minimum requirements of an LCAP adoption process. The district must develop a draft plan and present it to a District Parent Advisory Committee for initial review and comment, solicit additional recommendations in a public hearing and consult with additional stakeholders, including employees, students, and local unions or associations. The school board adopts the LCAP at a public hearing. Many districts use a considerably more expansive process as part of their stakeholder engagement efforts.

Districts submit completed LCAPs to their County Office of Education for review. COEs may request changes and modifications. Final LCAP approval lies in the hands of the COE.

New Roles for County Offices of Education

The LCFF has brought substantial new responsibilities to California's 58 County Offices of Education (COEs). Prior to LCFF, COEs, each of which is led by an elected or appointed superintendent, were responsible for a variety of functions including approving the budgets of the school districts in their county, administering programs such as career and technical education centers and court schools, and administering some state and federal programs.

¹³ With the advent of the state's new accountability system in 2017–18, the Dashboard becomes the visual display of student outcomes.

The LCFF adds a crucial new responsibility for COEs as the LCAP gatekeepers. They play the dual role of supporting districts to prepare LCAPs and evaluating the quality of the finished document.

COEs use three statutorily defined “tests,” or conditions, to evaluate LCAPs: (1) Does the plan adhere to the SBE-developed LCAP template? (2) Are the district’s budgeted expenditures sufficient to implement strategies outlined? and (3) Does the LCAP adhere to expenditure requirements for supplemental and concentration grants?

COEs also complete their own LCAPs for programs run by the County Office of Education, such as court schools. COEs’ LCAPs are reviewed and approved by the California Department of Education (CDE).

New Accountability System

In September 2016, the State Board of Education approved a new accountability system, the final component of the LCFF to be put in place. The Integrated Accountability and Continuous Improvement System is designed to further LCFF’s focus on equity and closing the achievement gap. Under the new system, districts must show progress in the state’s 8 state priority areas.

The new accountability system replaces the Academic Performance Index (API), California’s previous accountability system in place since 1999. Where the API relied nearly entirely on test scores, the new system is composed of multiple measures of student performance.

The system measures progress on a select set of indicators of school success, divided into state and local indicators. State indicators are: graduation rates, readiness for college and careers, progress of English Learners, suspension rates, scores on standardized tests, and chronic absenteeism. Local indicators are basic conditions at a school, progress in implementing standards, parent engagement, and school climate (California Department of Education, 2017).

The Dashboard. The Dashboard, an online tool implemented in the 2017–18 school year, provides a visual display of district performance. The Dashboard indicates “status,” or how each school fared the previous year, what changed, and what improvement was realized. Schools are rated on the indicators and assigned one of five performance levels from highest to lowest, each indicated by a color—blue, green, yellow, orange, or red.

The Dashboard makes visible the accountability system’s focus on equity. It displays how student groups and subgroups (English Learners, socioeconomically disadvantaged, foster youth, homeless, students with disabilities, racial and ethnic subgroups) are performing on various measures and provides a visual display of progress and remaining inequities. According to the California Department of Education, “This display is meant to help communities align resources to improve student achievement” (California Department of Education, 2017). The Dashboard will be modified, as necessary, over successive years. (*For more on the Dashboard,*

see paper by Morgan Polikoff, Shira Korn, and Russell McFall, “In need of improvement? Assessing the California dashboard after one year,” in this series.)

Support and Intervention

California’s still-developing System of Support offers help to districts that are struggling or failing to reach their performance targets. Meant to ensure a coordinated state approach to districts receiving resources and support to meet identified student needs, the system includes the California Department of Education, County Offices of Education, and the California Collaborative for Excellence in Education (CCEE). *(For a more complete treatment of the support and intervention system, see paper by David Plank, “Building an effective system of support: The key role of county offices of education,” in this series.)*

The CCEE was established under the LCFF to advise and assist COEs and districts to achieve their LCAP goals. The CCEE is charged under the statute with: (1) improving achievement in the eight state priority areas, (2) enhancing the quality of teaching, (3) improving district/school site leadership, and, (4) addressing needs of “special student populations” (low-income, English Learners, foster youth, and special education). The CCEE operates with eight staff members and an Executive Director. The state set aside \$10 million in 2013 for the CCEE’s operational activities, supplementing that allocation with an additional \$24 million in subsequent years.

The new system of support is multi-layered and designed to provide differentiated assistance tailored to individual districts’ needs. The Superintendent of Public Instruction may require that chronically underperforming districts receive more intensive intervention through this system.

In December 2017, the state reported that one in four California districts has received notice that it must work with its COE or the CCEE to improve the performance of at least one of its student groups as indicated by the ranking on their Dashboard. Forty-eight of 58 COEs have districts designated for assistance.

Perspectives on the LCFF

This section summarizes what is known about the general views of educators, advocates, and the public regarding the LCFF. Given the magnitude of the change to the way schools are funded and how funds are spent, understanding the various perspectives on the LCFF provides an important context for understanding implementation of the new law.

Educators' Views

This Governor and this State Board [of Education] did something that has never been done in the United States without a court case. It changed the distribution mechanism from an equality formula to an equity formula. ...I think that that unto itself is noteworthy, stunning, and amazing (Humphrey & Koppich, 2014).

This superintendent's view of the LCFF may be a bit more enthusiastic than most, but as four years of interviews with hundreds of district leaders suggests, the majority of district officials applaud the new school funding system. LCFFRC researchers found little enthusiasm among district officials for returning to the old categorical funding system.

The LCFFRC's statewide survey of superintendents (completed in 2018) confirms findings from individual interviews: superintendents are largely in agreement the basic premises of the LCFF. A full 94 percent of superintendents either strongly agree (65%) or somewhat agree (29%) that students with greater needs should receive additional resources. In addition, 74 percent of superintendents reported that they either strongly agree (30%) or somewhat agree (44%) that the new fiscal flexibility granted by the LCFF has enabled their district to spend in ways that match local needs.

A strong majority of superintendents also reported their support for the stakeholder engagement requirement of the LCFF. Seventy-six percent (76%) strongly (28%) or somewhat agree (48%) that requiring parent and community involvement ensures alignment of district goals and strategies with local needs. This is consistent with what the LCFFRC learned from case study districts. As one district administrator explained in 2015: "What is wonderful [about the LCFF] is the idea that funding is linked to what we do in our community, for our students, and is linked to the outcomes. The onus is on us to do it well" (Koppich, Humphrey & Marsh, 2015).

However, superintendents had reservations about some requirements of the LCFF. They were nearly unanimous (90% strongly or somewhat agree) that districts should be allowed to use supplemental and concentration funds for other disadvantaged students who are not explicitly targeted by the LCFF (e.g. students of color, other historically marginalized student groups). At the same time, a sizeable minority (38%) of superintendents reported that they either strongly agree (10%) or somewhat agree (28%) that the LCFF removed essential protections that categorical programs once provided for high-needs students.

We are less certain about the level of principals' support for the LCFF. The LCFFRC's 19 principal interviews in fall 2016 found general approval for the new system, but principals'

involvement in setting funding priorities appeared limited. Thirteen principal interviews in late spring and summer 2017 revealed a trend toward more school-based engagement strategies and decision-making authority, and thus increased support for the LCFF among principals.

It remains to be seen if the LCFF has caught the attention of classroom teachers. While the LCFFRC has interviewed 16 teachers and 43 union officials, we do not know what a representative sample of teachers would say about the LCFF. However, based on LCFFRC interviews, it is fair to assume that teachers in schools that benefitted from the redistribution of resources through supplemental and concentration grants were appreciative, while still maintaining the LCFFRC has not solved all their problems; class sizes are too high and salaries too low.

Public Opinion

While educators appear to be highly supportive of the LCFF, the public is largely unaware of the new law or how it changes school funding in California. The January 2018 public opinion poll by Policy Analysis for California Education and the Rossier School of Education at the University of Southern California found that only 17 percent of all likely voters and 37 percent of parents reported they had read or heard a little or a lot about the Local Control Funding Formula. Of those who said they were familiar with the law, 72 percent of likely voters and 84 percent of parents viewed it positively. When given basic information about the new funding formula, 67 percent of likely voters and 72 percent of parents were supportive of the LCFF (PACE and USC Rossier Polls, 2018).

Another poll by Public Policy Institute of California (Baldassare, Bonner, Kordus, & Lopes, 2016) had similar findings. Only 30 percent of adults and 36 percent of public school parents had heard about the LCFF. After being read a brief description, 76 percent of adults and 77 percent of public school parents favored it.

LCFF's Critics

Negotiations and compromises in the development of the LCFF appeared to have limited criticisms of the new law to its implementation rather than its basic premises. While LCFFRC research revealed a few complaints from individuals upset that their district did not receive as much from the state as a neighboring district, Californians appear to agree with the Governor's argument that equal funding is not equitable funding. While advocacy groups do not seek a return to the old categorical system of funding, they do argue for more transparency to guarantee that supplemental and concentration resources are directed to the targeted student groups. State officials typically respond with the argument that the law did not intend a dollar-for-dollar match of supplemental and concentration funds for targeted students as the LCFF is not a weighted student formula.

LCFFRC research on the implementation of the LCFF has also struggled with the transparency problem. Determining how case study districts were allocating resources has been nothing if not challenging. As further described in this paper, LFFRC researchers quickly found

that both districts' LCAPs and the state's fiscal reporting requirements make it nearly impossible to quantify the investments in supports for the targeted student groups.

Proposed legislation, AB 1321, that was ultimately bottled up in legislative committee and withdrawn, represents the agenda of various advocacy groups, including Children Now and Ed Trust–West. AB 1321 would have required districts to report on actual per-pupil expenditures of federal, state, and local funds at the school level (including actual teacher salaries rather than district averages). In addition, the bill required districts to report exactly how much money is being spent on the targeted student groups (Fensterwald, 2017, July 9). Apparently, the governor and some leaders of the Legislature have heard the concerns about transparency and are proposing various remedies, including a summary document which crosswalks the LCAP and the district budget.

Other advocates acknowledge that the LCFF has advanced equity, but that funding inequities are still the rule. For example, the Ed Trust–West report, *The Steep Road to Resource Equity in California Education: The Local Control Funding Formula After Three Years* (2017), argued that:

LCFF has improved funding equity among districts... Under LCFF, the highest poverty districts receive more state and local funds than their more affluent peers. But troublingly, students in the highest poverty schools still have far less access to some of these services and opportunities than students in the lowest poverty schools. The highest poverty schools are less likely to have counselors and librarians. They are less likely to offer rigorous courses and less likely to offer music or computer science. In some cases, these gaps have widened. (p. 3)

While the LCFF is grounded in the concept that equal funding is not equitable funding, the state still struggles with what constitutes adequate funding. Next, we turn to an examination of how districts allocate their resources under the LCFF.

Resource Allocation

This section presents research findings on resource allocation under the LCFF. In particular, the section examines:

- What is the fiscal context in which districts implemented the LCFF?
- How are decisions about resource allocation made at the district level?
- What investments are the districts making under the LCFF?
- To what extent are district investments under LCFF supporting the targeted student groups?

Fiscal Context of LCFF Implementation

The LCFF represents an historic change in California’s school finance system, but it does not determine the total investments in education. Like all states, federal, state, and local funds contribute, but California differs from most other states in that it relies on a much larger share of state funds (60%), than federal funds (9%), local taxes (25%), or other funds (6%) (Ed 100, 2017).

The total contribution of state funds is determined by Proposition 98, passed by voters in 1988. Proposition 98 requires that the portion of the budget that goes to support K–14 education is:

- a set share of the state's General Fund (about 40%) OR at least the same amount as the previous year, adjusted for growth in student population and changes in personal income (whichever is larger), but
- when the state’s revenue growth is low, education will take its “fair share” of the reduction, with the understanding that amount is to be restored when state revenues rebound; and,
- the Legislature, with a two-thirds vote, can suspend the funding requirement under Proposition 98 in any single year (Ed 100, 2018).

As noted earlier, LCFF redistributes state resources, but does not determine the total investment. Arguably, the strong economy and the steady tide of rising revenues made implementing the LCFF easier. Funding for K–14 education has increased by \$24.1 billion (51%) since 2013 and by \$31 billion (66%) since 2011–12 (2017–18 Governor’s Budget Summary and Ed 100, 2018). Districts with high numbers of targeted group students have seen even more dramatic increases in available revenues. For example, the Los Angeles Unified School District has received more than \$4 billion in new revenues since LCFF was enacted (Fuller, Castillo, Lee, & Ugarte, 2016). While the Governor’s proposed 2018–19 budget anticipates a slowing of the rate of increase, school districts are expected to see an average of about \$3,900 more funds per student in the 2017–18 school year than they did in 2011–12 (2017–18 Governor’s Budget Summary, 2017).

As previously noted in this report, the Governor’s proposed 2018–19 budget will bring even more dollars to the school districts by fully funding the LCFF two years ahead of schedule.

If the Governor’s plan passes the legislature, districts will receive an additional \$2.6 billion (2018–19 Governor’s Budget Summary, 2018). Despite the new revenues, California remains on the low end of the states’ per pupil expenditures when the cost of goods and services is factored in.¹⁴

Adequacy still an issue. Increasing spending and the redistribution of resources begs the question of whether or not California is adequately funding education. Defining adequate funding has a long history involving legal and political disputes, but it is useful to remember that adequacy is about more than setting a dollar amount. As Loeb points out, adequacy involves setting individual goals for student learning and experiences, setting goals for closing gaps among different groups of students, setting goals for the system’s progress, determining how progress is measured including outcomes, inputs, and process measures, and what technology to use to enact those measurements (Loeb, 2017, January 31).

Despite differences in how they might define adequacy, the educators who have been part of LCFFRC research were clear that their ability to achieve the vision of LCFF of providing additional supports and services to address the needs of targeted students is still hampered by insufficient funding. As one district official told researchers in 2016, “Without S&C [supplemental and concentration] funding, things would be gone and those things are important to kids... I still don’t believe we were adequately funded on the base.” Another district administrator echoed that concern:

... I don’t think you can provide targeted supports on top of a foundation that is deficient and expect to get great results. If you are able to have a solid base and then truly supplement, then there are opportunities [for the LCFF] to really be a game changer for [low-income and EL students, for foster youth] and for all students. But that’s the dance (LCFFRC, 2017).

The LCFFRC’s survey of a representative sample of California superintendents found general agreement with these comments. When asked about barriers to improving teaching and learning, 78 percent of superintendents either strongly agree (57%) or somewhat agree (21%) that an “inadequate base funding” was a barrier to improving teaching and learning in their district. Only 11 percent reported that funding was not a barrier.

A recent survey by the Public Policy Institute of California (2018) found that 60 percent of likely California voters agree with the superintendents that state funding for public schools is inadequate. In addition, the survey found that 53 percent of likely voters favor a possible 2020 initiative that would change how commercial property taxes are assessed and divide the additional revenues between K–12 public schools and local governments. The survey also found

¹⁴ There are a variety of ways to calculate how states compare in terms of education funding. Depending on which method is used CA is ranked either 46th, 41st, 29th, or 22nd. See Fensterwald, J. (2017, February 28). *How does California rank in per pupil funding? It all depends.*

that 60 percent of likely voters would support local bond measures supporting construction project, but only 48 percent support local parcel taxes to fund public schools (PPIC, 2018).

While the revenue increases were welcomed by district officials, those increases were counterbalanced by the rising costs of retirement benefits, health care, and special education, along with declining enrollments in some districts. In particular, officials in all of the LCFERC’s case study districts reported sharp increases in required district contributions to the employee retirement systems. As one district leader noted:

The killer is STRS and PERS [State Teachers’ Retirement System and Public Employee Retirement System]. ...The [increasing] rates are ridiculous. We are going to be at 20 percent, and we were 8.25 percent (LCFFRC, 2017).

The increasing costs of retirement benefits to districts, employees, and the state are a result of the state’s effort to address the huge unfunded liability of the public employee retirement systems. The California Public Employee Retirement System’s (CalPERS) \$324 billion pension fund and the California State Teachers Retirement System’s (CalSTRS) \$220 billion pension fund each has about two-thirds of the assets it needs to pay the benefits owed (“California should be able,” 2017, November 28).¹⁵ As part of the effort to address this problem, Assembly Bill 1469, signed into law by Governor Jerry Brown as part of the 2014–15 budget, increased district retirement system contributions. Table 1 illustrates the annual compounded increase in district contributions to these systems.

Table 1. Projected Schools Employer Contribution Rates

Year	2017–18	2018–19	2019–20	2020–21	2021–22
CalPERS increase ^a	15.5%	18.1%	20.8%	23.5%	24.6%
CalSTRS increase ^b	14.43%	16.28%	18.13%	19.10%	n/a ^c

^a The 2016–17 base rate LEAs paid was 13.88%.

^b The 2016–17 base rate LEAs paid was 12.58%.

^c Under current law, once the statutory rates are achieved, CalSTRS will have the authority to marginally increase or decrease the employer contribution rate.

Data sources: CalPERS Schools Valuation and Employer/Employee Contribution Rates, retrieved from https://www.calpers.ca.gov/docs/board-agendas/201804/financeadmin/item-7b-00_a.pdf; CalSTRS 2014 funding plan, retrieved from <https://www.calstrs.com/calstrs-2014-funding-plan>.

¹⁵ A new report (April 9, 2018), from CalPERS indicates that its assets cover 71 percent of unfunded liabilities. See <https://www.calpers.ca.gov/page/about/organization/facts-at-a-glance/solid-foundation-for-the-future>

In addition to increasing pension costs, officials in seven¹⁶ of the LCFFRC's eight 2016 case study districts reported increasing special education expenses and inadequate funding for special education, resulting in encroachments on general fund revenues. For example, the chief financial officer of a small district with a large and growing special education population explained that, for the 2015–16 school year, the district's allocation for special education was \$750,000, while costs were \$1.8 million. In one of the LCFFRC's larger case study districts, special education costs were \$60 million with an allocation of \$15 million.

Officials in all eight study districts also reported rising health care costs and uncertainty about future costs. Some districts face an unfunded debt for providing lifetime health insurance to retirees and their dependents. For example, a recent report from the Los Angeles Unified School District suggests that unfunded debt could bankrupt the district (LAUSD, 2017).

Six of the LCFFRC's eight 2016 case study districts were experiencing flat or declining enrollments and the accompanying leveling off or loss of revenue. Thus, as student counts decrease or level off, some districts were shifting funding they had once directed to targeted groups to cover ongoing expenses instead. One of the declining enrollment districts lost 10 percent of its enrollment in one year alone. As a result, a district leader explained,

We are losing base dollars... technically, like the next year or two out, we are going to get no new base dollars ...so we are finding ways of redefining core and calling that supplemental (LCFFRC, 2017).

With the confluence of all these issues, district leaders are focused on increasing services as mandated by the law, while limiting their exposure to future budget shortfalls. For example, two LCFFRC study districts reported increasing their reserves to 19 percent and 23 percent, respectively. Three districts shifted funding of programs such as summer school, once understood to be supported by base funds, to supplemental and concentration funds. Another district chose to give new employees only temporary contracts. Looming over all investments is concern about a downturn in the economy and another cycle of cuts like those the state has made in the past. The Governor's proposed 2018–19 budget, which bolsters the state's rainy day fund, is largely in response to these concerns.

District Budget Practices Changing

This year we began the [budget development] process from 'What do we need?' rather than from 'What can we afford?' (Humphrey & Koppich, 2014).

As noted in the LCFFC's 2014 report, *Toward a Grand Vision: Early Implementation of California's Local Control Funding Formula*, nearly all districts studied had shifted to joint program-fiscal teams to develop their budgets. Spurred by the removal of most categorical program requirements, districts appeared to make concerted efforts to break down silos within

¹⁶ The eighth district that did not indicate a need for additional special education funding is a basic aid district with an average per pupil funding amount in 2014–15 of approximately \$26,000 as opposed to the state average of \$10,209 for all school districts in California. (Retrieved from www.ed.data.org.)

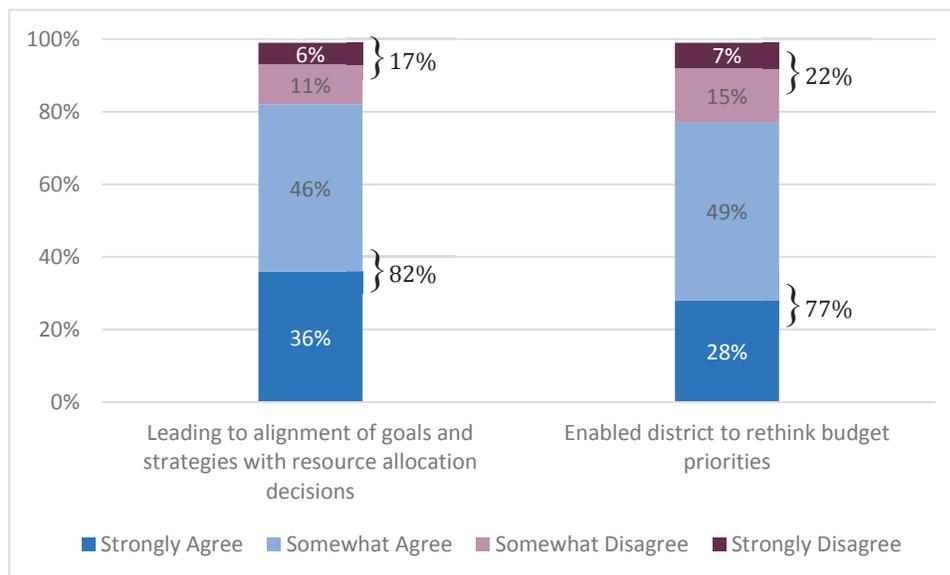
the central office and move to a more collaborative budget-making process. As one district official put it, “The LCAP process really pushed the emphasis on collaboration. We recognized that people were working in silos. And we had to change” (Humphrey & Koppich, 2014).

To varying degrees, the case study districts in the LCCFFRC’s current research continued this practice. District officials described this important change in budget development as a cultural shift, and in some cases, a move toward a needs-based budgeting process.

As LCFF implementation has proceeded and matured, districts increasingly are examining data about student performance, attendance, and course-taking patterns, reviewing information gathered from stakeholder engagement activities, and determining what programs and services would best meet their students’ needs. Then they figure out how to pay for them. “We attached spending to goals,” noted one district official. However, other case study districts took a more cautious approach, using budget flexibility and the infusion of new funds mainly to restore programs and services that had sustained significant reductions or were eliminated in recent years (LCCFFRC, 2017).

The responses from the 2017–18 LCCFFRC’s survey of superintendents reflected the changes evident in the case studies. A large majority (77%) of superintendents strongly (28%) or somewhat (49%) agree that the LCFF had enabled their district to rethink budget priorities. In addition, 82 percent of superintendents strongly agree (36%) or somewhat agree (46%) that the LCFF is leading to greater alignment among district goals, strategies, and resource allocation decisions. See Exhibit 1.

Exhibit 1. Superintendent Reports on LCFF Contributions to Budget Alignment with Goals

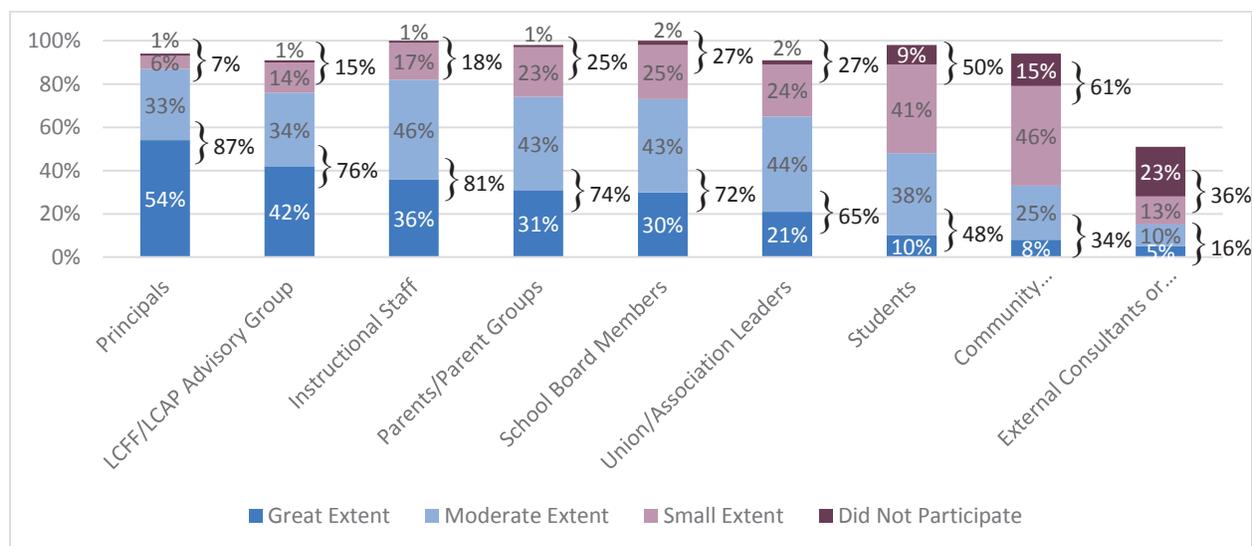


At the same time, superintendents reported concerns about the administrative burdens and, to a lesser extent, increased tensions in contract negotiations with labor partners as a result of the LCFF. Eighty-one percent (81%) of superintendents strongly agree (49%) or

somewhat agree (32%) that the LCFF created new administrative burdens for their district. Fifty-seven percent (57%) strongly or somewhat agree that the LCFF had increased tensions in contract negotiations.

Changes in districts’ budget making practices included changes in who participated in resource allocation decisions. While resource allocation decisions have traditionally been the purview of the superintendent and central office administrators, superintendents reported participation from a much wider array of stakeholders. As Exhibit 2 illustrates, more than half of superintendents (54%) reported that principals were involved in setting goals and resource allocation priorities “to a great extent.” With the exception of students, community members, and external consultants/partner organizations, large majorities of superintendents reported all other stakeholder groups were involved to a great or moderate extent.

Exhibit 2. Superintendent Reports on Who Participates in Setting Goals and Priorities



Note: Differences in subtotals are a result of rounding

Trend toward school site decision-making. Most allocation decisions in LCFFRC case study districts were made primarily by district officials. As we note in the Stakeholder Engagement section of this paper, six of the eight 2016 LCFFRC case study districts allowed for some discretionary funds to be allocated at the school site level. The statewide survey of superintendents revealed that just over half of districts (56%) allow their schools to determine how to spend a portion of supplemental and concentration funds. However, as case study districts illustrated, the percentage of funds falling under the authority of the school sites varied and was relatively small compared to the overall resources available. As a result, district LCAPs, the key document that conveys to parents and the community the result of resource allocation decisions, tended to reflect central office priorities.

Based on a comparison between results of district surveys of parents and other stakeholders and the priorities evident from district LCAPs and interviews, study districts

tended to include low-cost recommendations such as increases in parent education and tutoring programs in their LCAPs. Parent calls for more attention to the social and emotional needs of targeted student groups increasingly were reflected in district investments in counselors, social workers, and student engagement programs. Higher-cost parent recommendations such as dramatic reduction of class-sizes typically were not reflected in districts' LCAPs or budgets.

Two of the LCFERC's eight 2016 case study districts tried to strike a balance in resource allocation authority between the district and its schools. In one case, the district allocated more than 90 percent of its supplemental funds to schools based on student demographics. Schools were required to demonstrate how their resource allocation decisions were consistent with district priorities, as spelled out in the district's strategic plan. School level resource allocation decisions were made with the involvement of the School Site Council, the School English Learner Advisory Committee, School Site Leadership teams (comprising mostly teachers), the school Parent Teacher Association, student leadership teams (where appropriate), and principals' conversations with parents. In both districts, schools have invested in additional intervention specialists, for example, to focus on increasing reading proficiency in elementary grades, support personnel for English learners, and additional teachers to end combined grade level classes at elementary schools.

By contrast, another study district allocated significant funds to its schools last year. When the schools failed to spend all of these funds, however, the district reduced the schools' discretionary allocation for the subsequent year. As the superintendent explained:

Last year we put out \$20 million and at the end of the year there was \$1.7 million unspent. So that got swept into reserves. I told the principals that leadership management... is managing your resources. ...That was \$1.7 million that did not go to services for kids (LCFERC, 2017).

In the two districts that allocated few or no funds to school sites, some principals reported that they were required to enact programs that did not seem appropriate to their schools. For example, one principal argued that her school needed more resources for academic intervention rather than addressing behavior problems. "Every school is going to get this without regard to the individual culture of each school. ...I don't have the behavior problems on my campus..." (LCFERC, 2017).

The San Mateo Foster City School District is one district that allows its schools to participate in resource allocation decisions. As the boxed example illustrates, school level engagement and participation in resource allocation decisions appears to increase buy-in from stakeholders while maintaining a dual focus on school and district goals.

San Mateo Foster City School District's (SMFCSD) Two-Pronged Approach to Resource Allocation

In the 2016–17 school year, the SMFCSD allocated approximately \$4 million of its \$6 million supplemental fund dollars (the district received no concentration funds) to schools to support school-determined priorities. The district retained the remainder of the supplemental funds (approximately \$2 million) for district-wide programs and investments. Importantly, the district distributed supplemental funds to the schools based on locally-developed assessments of need and plans to address those needs.

How supplemental dollars available to schools were deployed, and indeed, how fiscal priorities for schools generally were set, was determined through a process that relied heavily on school-based stakeholder engagement. The district established a common engagement process that each school used and trained principals in its application. In general, stakeholder groups were asked to reflect on and propose strategies to address the question: “What would help all SMFCSD students reach our identified needs and goals?” As one principal told us: “In the engagement meetings, we share data on the school and then use a set of guiding questions. We ask what is working, what is not working, what needs to be tweaked, and what other issues are important.”

Principals we interviewed agreed that the school-based stakeholder engagement and resource allocation processes have advanced buy-in from teachers and staff regarding investments, aligned state, district, and school goals, and led to more support for targeted student groups.

Once school budget priorities were identified, each principal met with district leadership to discuss the school’s funding needs and to determine the level of funding. SMFCSD’s approach to resource allocation—focused stakeholder engagement at the school level to set targeted funding priorities followed by conversations with district officials—resulted in a more thoughtful approach and more considered decision making. As one principal remarked, “We’ve moved from, ‘Here’s your money’ to ‘What do your students need?’”

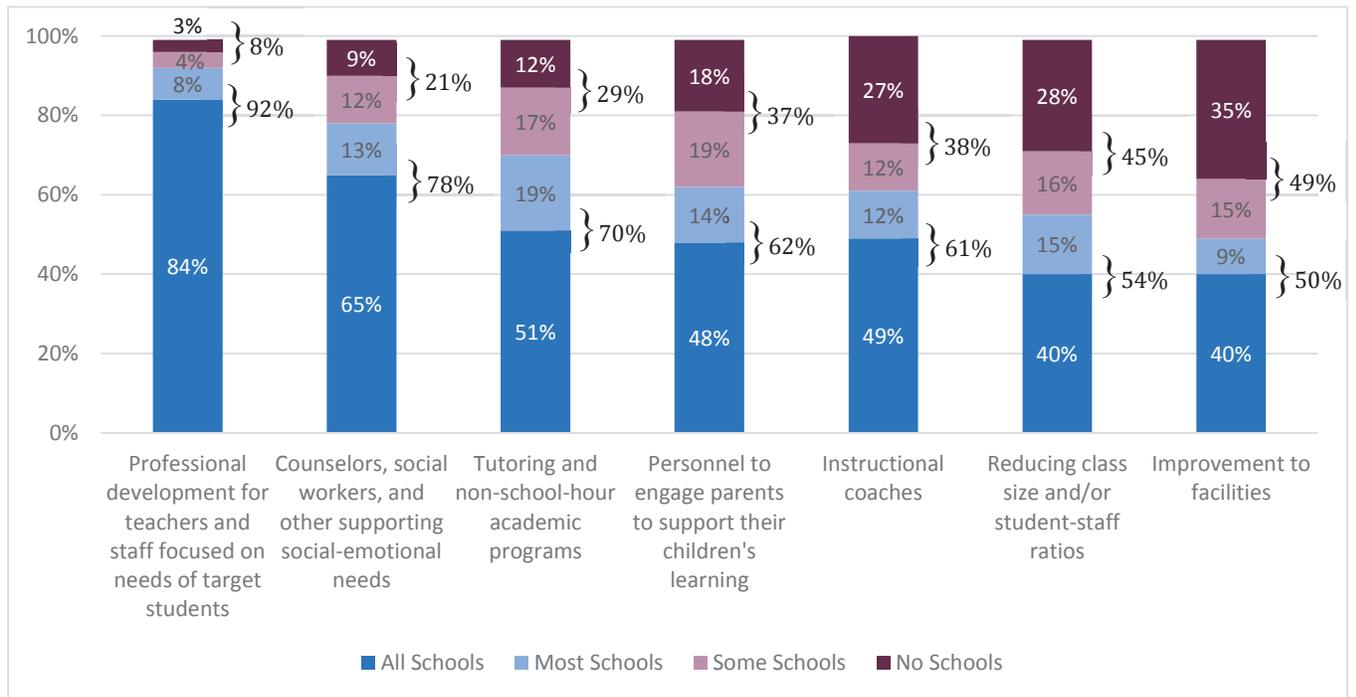
The district reserved some of its supplemental and base funds for district-wide priorities, programs, and services designed to benefit all students, regardless of their school assignment. The district used a similar process as the schools used to determine what these investments should be. Stakeholder groups, including the District PTA, the District Advisory Committee, the District English Learner Advisory Committee, and the Board of Trustees, participated in an engagement process to set priorities. In addition, the superintendent held community coffee chats. District leadership provided detailed data on a variety of student outcomes broken out by student subgroups and then met with stakeholder groups. Using guiding questions to direct the conversation, the leadership identified common concerns and investments to address those concerns (LCFFRC, 2018).

District investments under the LCFF. Perhaps the most important question regarding the implementation of the LCFF is: How are districts allocating their resources? In particular, policy makers and advocates want to know if supplemental and concentration funds are being used to support the targeted group students. At least among LCFFRC case study districts, the answer is mostly positive, though with some caveats.

LCFFRC researchers' review of case study districts' LCAPs and analysis of interviews suggests that districts are making good faith efforts to allocate supplemental and concentration funds to the targeted student groups. In 2016, districts reported that they used base funds, supplemental funds, and concentration funds to hire counselors and social workers to serve low-income students, English learners, and foster youth. A majority of districts in the LCFFRC sample added tutoring, engagement, and advanced placement programs for targeted student groups. Nearly all of the study districts invested in professional development opportunities for teachers to support them in efforts to address the needs of targeted student groups. A few of the districts redistributed resources in the form of more teachers and administrators to schools with concentrations of targeted student populations. At least one district used LCFF funds to extend the school day and year for schools with high numbers of targeted students.

Results of the LCFFRC survey of superintendents supports findings from the case study districts regarding resource allocation. As Exhibit 3 illustrates, the majority of superintendents reported making investments in the kinds of supports that are likely to benefit the target group students.

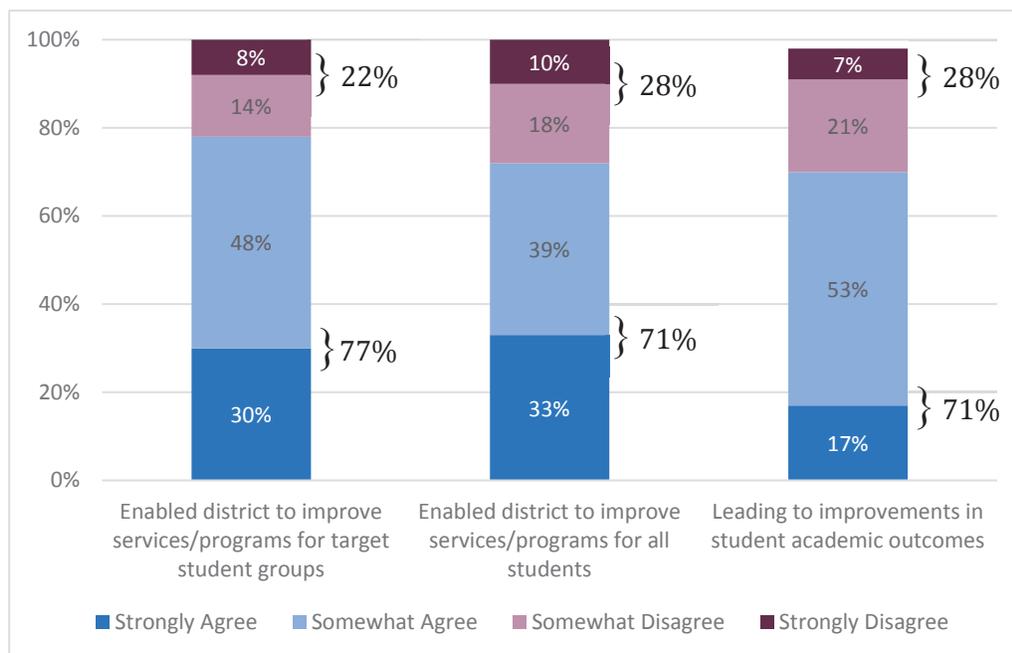
Exhibit 3. Superintendent Reports on Strategies to Support Target Group Students



Note: Differences in subtotal are a result of rounding.

Superintendents’ reports of how they invested supplemental and concentration funds in support of targeted group students was accompanied by positive views of the results of those investments. Overall, superintendents reported that their district investments were resulting in improved services and programs for both targeted group students and all students. Seventy-seven percent (77%) of superintendents strongly agree (30%) or somewhat agree (48%) that their district made services/program improvements for low-income students, English learners, and foster youth. Seventy-one percent (71%) of superintendents strongly agree (33%) or somewhat agree (39%) that their district made services/program improvements for all students. In addition, 71 percent of superintendents strongly agree (17%) or somewhat agree (53%) that the improvements were leading to gains in students’ academic performance. Exhibit 4 displays these reports.

Exhibit 4. Superintendent Reports on LCFF-enabled Improvements



Note: Differences in subtotal are a result of rounding.

Despite these positive, and perhaps overly optimistic, reports by superintendents, LCFFRC case study research found reason for concerns. These included the lack of differential support for English learners and foster youth, confusion over what funds should be included in districts’ LCAPs, and the questionable uses of supplemental and concentration funds among some districts.

Differentiated supports for English learners. Given that districts are implementing the LCFF and the Common Core State Standards simultaneously, the LCFFRC examined what supports 2016 case study districts were providing to help English learners meet the standards. While all of the 2016 case study districts directed resources to support EL students, few case districts called out EL-specific strategies regarding professional development, instructional approaches, or student interventions to support CCSS implementation. Of the eight case study districts, just three districts’ LCAPs identified the need for differentiated supports for English Learners. In the words of one LCAP:

... all teachers and staff [with] on-going professional development so that great first instruction with differentiated strategies occurs so that all students including English Learners, master content standards to meet the tenets of the ideal graduate (LCFFRC, 2017).

Statements such as “all teachers are teachers of English Learners” were found in two of these three districts’ LCAPs and were supported by goals such as “ensure English Learner professional learning is job-embedded and student-centered.” Another of these three districts had a sophisticated data system through which they tracked discrete information for the

targeted students, such as course taking patterns and access to advanced placement courses. Yet it was difficult to discern how instructional supports for the EL population reached the classroom level.

Other examples of district efforts included a district offering specific courses for Long-Term English Learners at the secondary level. Another added instructional minutes for English Learners at the elementary level, but was not explicit about the instructional strategies to be employed. In none of these cases was the approach to standards implementation for ELs specifically mentioned. Additionally, two districts identified professional learning around the Common Core State Standards (CCSS)-aligned English Language Development Standards (adopted in 2012), but again it was unclear how connected the professional learning goals were to English Learners' needs across content areas and specific courses. In these cases, English Learner language-specific practices/approaches within CCSS and related identifiable professional learning approach(es) were not evident (See examples of such practices and approaches in Valdés, G., Kibler, A., & Walqui, A., 2014).

Differentiated support for foster youth. By all measures, foster youth have the most troubling educational and life outcomes of all student subgroups. Academic achievement, as measured by scores on standardized tests, are lower for foster youth than for many other groups of students including non-foster youth living in poverty, English learners, and students with disabilities. Poor academic results become more pronounced the longer these students remain in care. Educational attainment challenges are compounded by the fact that foster youth are likely to be enrolled in the state's lowest performing schools. Not surprisingly then, foster youth have lower rates of high school graduation and lower rates of college enrollment and persistence than do other California students.¹⁷ These poor educational outcomes lead to profound consequences in adulthood. A recent report submitted by the California Department of Education to the Governor and Legislature describes the experience of foster youth two to four years after they had left care. The report indicates that only half of these young adults were employed, nearly half had been arrested, a quarter had experienced homelessness, and more than half the young women had given birth at an early age (California Department of Education, 2014).

By identifying foster youth as a targeted student group, the LCFF seeks to reverse these outcomes. However, challenges remain. LCFFRC researchers' review of more than 80 LCAPs

¹⁷ For more detailed information, see these reports from the Stuart Foundation: *The invisible achievement gap: Education outcomes of students in foster care in California's public schools* (2013), Parts 1 and 2, found at <http://www.stuartfoundation.org/docs/default-document-library/the-invisible-achievement-gap-report.pdf?sfvrsn=2>; *At greater risk: California's and the path from high school to college* (2013), found at <http://www.stuartfoundation.org/docs/default-document-library/at-greater-risk-california-foster-youth-and-the-path-from-high-school-to-college.pdf?sfvrsn=6>; *Ready to succeed: Changing systems to give foster children the opportunity they deserve to be ready for and succeed in school* (2008) found at <http://www.stuartfoundation.org/Files/ready%20to%20succeedfinalreport-full-5908.pdf>

found that most districts subsumed services for foster youth under services for low-income students and English learners. Among districts that mentioned specific supports for foster youth in their LCAP, those supports were typically the addition of counselors or social workers. Researchers rarely found a district plan to provide foster youth with differentiated supports designed to address their full range of needs.

Providing foster youth with differentiated supports is partly constrained by the still developing data systems designed to track foster youth. But even as the data systems improve, districts' use of foster youth data is uneven at best. Among central office officials in LCFFRC case study districts, most but not all were aware of the number of foster youth. At the school level, few principals were aware of which students were in foster care.

In addition to concerns about how well districts are differentiating supports for EL students and foster youth, LCFFRC researchers found various interpretations about some of the basic tenets of the LCFF regarding resource allocation and the law. We turn to that issue next.

What funds to include in the LCAP? In the LCFFRC's first two years studying LCFF implementation, researchers found widespread confusion over which funds should be included in LCAPs. A later section of this report examines LCAP issues in detail. The most recent set of eight LCFFRC case study districts (Fall 2016) suggests that the confusion continues despite attempts by the state to offer guidance. While in 2016 researchers found only one district that restricted its LCAP to supplemental and concentration funds, researchers nevertheless found substantial variance. Only one district included all of its state (base, supplemental, and concentration) and federal funds in its LCAP. The other six districts included various portions of their state funds, and in a few cases, their federal funds in the LCAP. Unfortunately, the LCAP template and the format of the Standardized Account Code Structure (SACS) for district budgets makes it extremely difficult to map expenditures on to the district budget and confirm which funds are actually included.

One of the eight LCFFRC case study districts took a noteworthy approach to solving the dilemma about what funds to include in its LCAP by reporting most of its funds in its LCAP and including all funds that were used to meet the goals articulated in the district's strategic plan. As a result, the district's LCAP included a description of how resources were distributed to those schools with the largest concentration of targeted students. As one district official explained, the LCAP included... "any funds that fit into the district's strategy" (LCFFRC, 2017).

Uses of supplemental and concentration funds. Despite multiple efforts by the state to provide guidance, some districts appeared unclear about the appropriate use of supplemental and concentration dollars. One study district with a 97 percent unduplicated count interpreted the law's mandate "to increase or improve services for unduplicated pupils" as a requirement to only spend supplemental and concentration dollars on new purchases for schools. As the

CFO of this district explained, “The kind of rule of thumb is anything new, or one time purchases” (LCFFRC, 2017).

Another district that was facing the prospect of declining funds due in part to declining enrollment revisited expenditures that had previously been taken out of base funds and reclassified some of these to come from supplemental and concentration funds. The LCFFRC survey of superintendents suggests that this not an uncommon practice. Nearly half of superintendents (47%) reported that their district “used supplemental and/or concentration funds for some programs/services previously paid for by base funds.” One promise of the LCFF is to protect supports for the targeted groups during tight financial times, and such fund reclassification practices could undermine the intent of the law.

Other related issues involving the uses of supplemental and concentration funds include district guidance to schools about how to spend those funds, how districts carry over unspent funds, and the extent to which districts are authorized to use supplemental and concentration funds to increase all teachers’ salaries. While LCFFRC research found a trend towards allowing school level decision-making for using supplemental and concentration funds, only 56 percent of superintendents reported that their district provided guidelines about how to spend those funds. In addition, 32 percent of superintendents reported that they had unspent supplemental and concentration funds that had to be carried over to the next school year. Finally, the state has sent mixed messages about the use of supplemental and concentration funds to increase teacher salaries. However, only 18 percent of superintendents reported using these funds for this purpose.

While most of the LCFFRC case study districts made good faith attempts to follow the LCFF’s directive that supplemental and concentration funds be “principally directed” to supports and services for the targeted groups, it was hard to understand how some investments met this requirement. Several districts used supplemental and concentration funds to invest in programs and infrastructure for all students, investments that did not seem to abide by the “principally directed rule.” LCFFRC review of LCAPs revealed, for example, investments in remodeling bathrooms and school security, certainly designed to benefit all students and probably more appropriately funded through base funds. This and other interpretations of the “principally directed” requirement raise issues about the guidance and oversight of some COEs. Over the years, LCFFRC researchers found wide variation in how COEs interpreted the spirit and intention of the LCFF, as reflected in some of the expenditures that were approved by COEs in some districts’ LCAPs.

The Special Challenges of Small Districts

Of California's 1,029 districts, 319—nearly a third in the state—enroll fewer than 500 students, and an additional 120 districts serve 500–1,000 students. About 90 percent are in rural areas; the others are in small towns. (National Center for Education Statistics, 2017). Over three years, LCFFRC case studies have included small districts from five counties. Small districts the LCFFRC has studied embrace the intent and promise of local control, but their small size presents them with two significant challenges:

- Small rural districts have less leadership capacity available to facilitate the LCAP process and to develop multiple metrics for planning and monitoring of progress, yet they are held to the same template.
- Tiny enrollments can make it not only impractical but unduly divisive to account for all Supplemental and Concentration funds in strictly proportional ways, yet small districts are often held to that rule by their County Office of Education (COE).

Small districts' limited capacity drives them to rely on their COEs, which serve as conduits to resources for policy implementation and teachers' professional development. LCFFRC cases of LCFF implementation have shown that COEs appear to exercise more control over the LCAPs of very small districts than very large districts in general; further, COEs vary greatly in their interpretation of LCFF. Thus, the extent to which the smallest districts are helped or hindered by their COEs depends upon their location (LCFFRC, 2017).

Section Conclusion

Nearly all district officials continue to view the LCFF favorably and greatly appreciate the influx of new funds. Interviewees in LCFFRC case study districts reported a variety of advantages to the LCFF, especially the elimination of the strictures of categoricals and increased flexibility in allocating funds. Most appreciated the increased attention to the targeted student groups and the recognition of the special needs of foster youth for the first time. While increased resources have accompanied the LCFF implementation efforts, district officials expressed continuing concern about the adequacy of funds and the prospect of rising costs and, in some cases, declining enrollments and the associated loss of revenue.

In the majority of LCFFRC case study districts, the LCFF has led districts to change the way they make resource allocation decisions, though the bulk of those decisions still are made at the central office. The most effective mix of district and school level resource allocation authority is yet to be determined. Although it appears that most supplemental and concentration funds are used to support targeted student groups, there was wide variation in districts' (and COEs') interpretations of what funds should be included in the LCAPs and what the appropriate uses of supplemental and concentration funds are.

As the LCFF matures and more districts experiment with different decision making models, it will be important to document how resource allocation decisions are changing and how those decisions are impacting targeted group students experiences and outcomes. Sharing

examples of innovation and improvement may be the most effective way to more broadly realize the equity goals of the LCFF.

Stakeholder Engagement

This section focuses on LCFF implementation and stakeholder engagement. It addresses two research questions: (1) How are districts implementing the LCFF requirement for stakeholder engagement? and (2) How have district efforts evolved over time?

As previously described, stakeholder engagement is an essential element of the LCFF. In exchange for fiscal flexibility, districts are required to involve an array of local stakeholders in shaping district goals, setting priorities, and determining how dollars should be allocated. Particularly challenging is that districts are supposed to ensure that engagement is meaningful. The LCAP template clearly states that, “Meaningful engagement ... is critical to the development of the LCAP and the budget process” (2017–18 LCAP). As previously noted in the Just the Basics section of this paper, the law does not provide districts with an engagement roadmap but rather leaves them largely on their own to figure out how to interpret and enact engagement.

Research on LCFF implementation has shown that involving a broad range of education stakeholders in decision-making around goal setting and budgeting is a heavy lift for many districts. Districts and their stakeholders remain on a steep learning curve, still feeling their way.

General Engagement Strategies

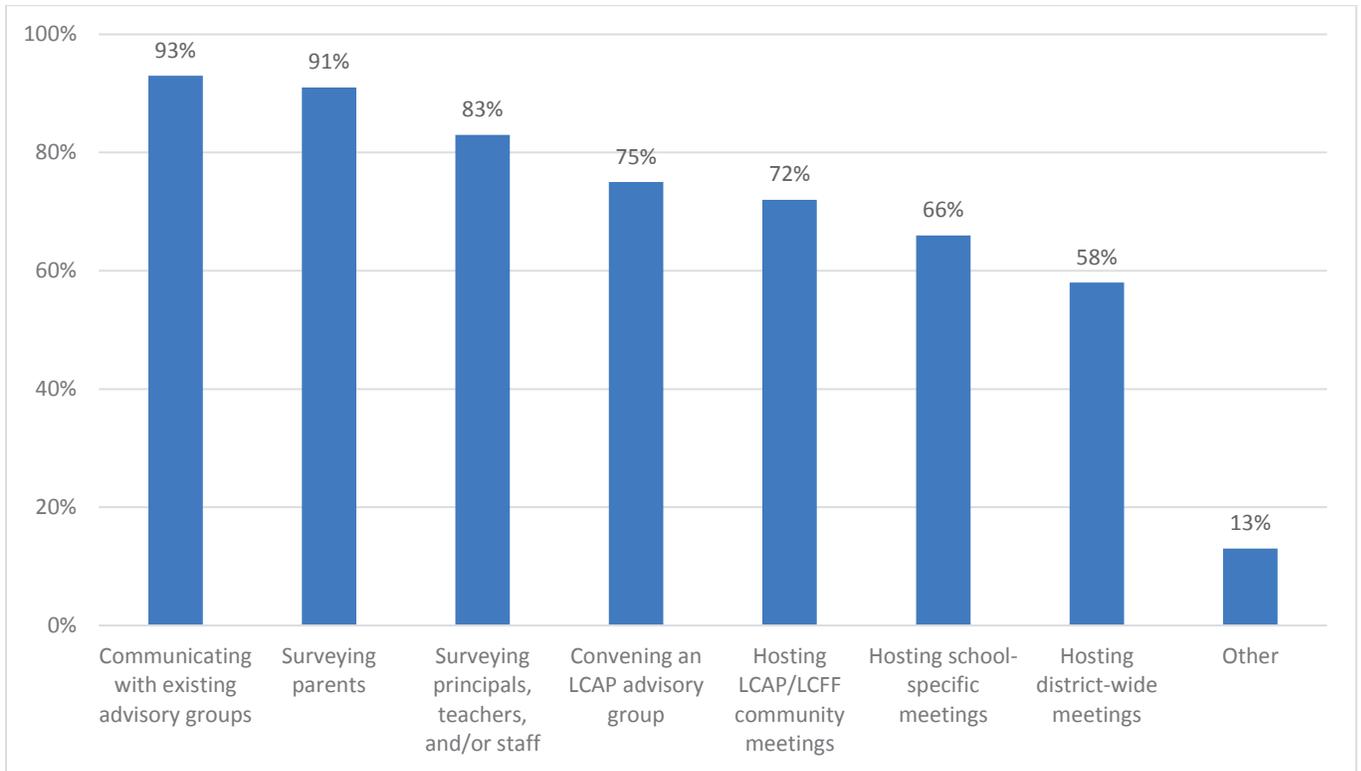
Districts have tackled the multiple challenges of engagement using different strategies and foci. They have employed large district-wide meetings, small group meetings, surveys, and focus groups. Some districts have sought input on setting broad district goals and sweeping budget priorities. Others have sought feedback on a district-produced draft of a complete LCAP. Some districts have organized engagement activities around how to spend all district funds, others only around allocating supplementary and concentration dollars.

As noted in the Resource Allocation section of this paper, superintendents report that a variety of groups participated in setting district goals and priorities, including parents, principals, instructional staff, unions and associations, and school boards. (See Exhibit 2.) Interestingly, nearly a third of superintendent survey respondents (31%) said they believe that school board members “should *not* be involved in developing the LCAP.” As one district superintendent said, “[Board members] want to be connected [to LCAP development] but they’re really not interested in all the minutiae because it’s not their job” (Koppich et. al, 2015). This issue is further explored later in this section.

Exhibit 5 displays the engagement strategies superintendents report their districts used in 2016–17. As the chart shows, the most commonly used strategies were communicating with

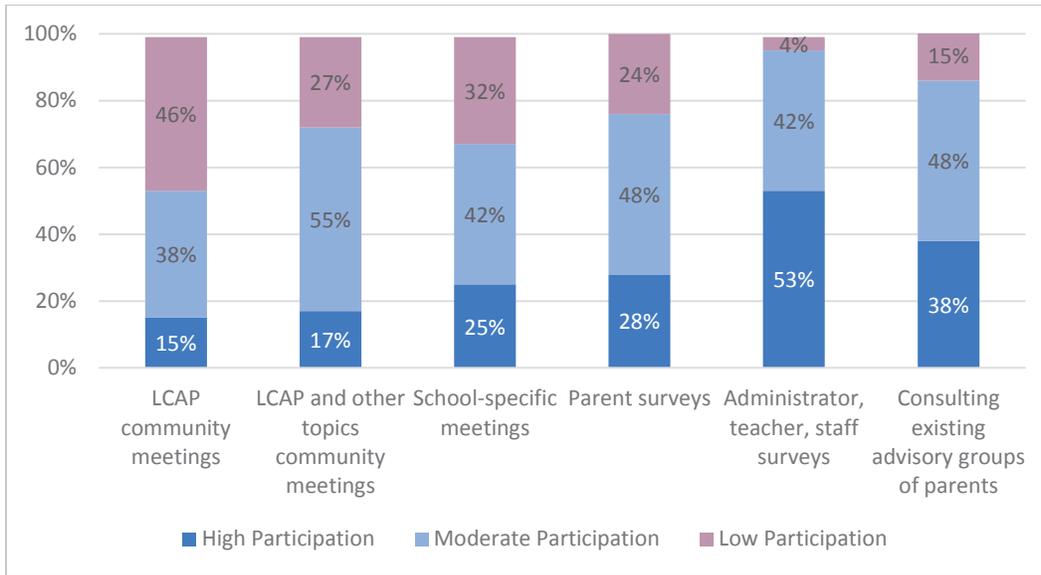
existing parent advisory groups (93%) followed closely by surveying parents (91%) and surveying administrators, teachers, and staff (83%).

Exhibit 5. Engagement Strategies



When asked about the level of engagement in 2016–17, slightly less than half the superintendents (49%) rated levels of engagement as excellent (12%) or good (37%). Just above half (51%) said engagement levels were average (39%) or poor (12%). Exhibit 6 shows superintendents’ assessment of the levels of participation in various engagement activities. The only strategy to top 50 percent in “high participation” was administering surveys to administrators, teachers, and staff.

Exhibit 6. Level of Stakeholder Participation (Specific Activities)



When superintendents were asked about the relative *utility* of feedback from engagement activities, no activity topped the 50 percent mark. Surveys both of parents and administrators and staff, arguably the easiest and least labor-intensive way to achieve feedback, received the highest rating for usefulness with 39 percent each. Communicating with district parent advisory groups received a 37 percent rating for usefulness. Other activities were even lower on the scale.

Finally, when superintendents were asked to choose a reason for relatively low levels of engagement, 61 percent cited “lack of stakeholder interest” as the major reason and nearly half (46%) cited “a belief on the part of stakeholders that district professionals should make these decisions.” These results give some indication of how much work there is still to do to bring the promise of LCFF to fruition.

Engaging Different Groups of Stakeholders

The LCFF requires that various groups of stakeholders be part of the process of developing district goals and setting resource allocation priorities. Whatever strategies they have chosen to use, nearly all districts have centered engagement on parents.

Parent Engagement. As one superintendent told LCFFRC researchers in 2014:

I think [the LCFF] is a wonderful direction. I wholeheartedly support what it aspires to do in terms of local control, bringing in the community to write their story [about] what they want for their kids. (Humphrey & Koppich, 2014)

The LCFFRC found that this statement echoed the views of district officials more widely. Though they have faced challenges implementing parent engagement from the outset, as we

note in the Perspectives section of this paper, district leaders generally view the requirement for engagement as a policy move in the right direction.

Despite districts' efforts, parent participation in engagement activities in the first two years of LCFF implementation often fell far short of expectations. As a Superintendent told researchers in 2015:

Parents want input into child's education. They want ... to know what we're doing. They don't want to come to a meeting and listen to us with acronyms and jargon they don't know. They are busy and they still don't understand what the state has implemented. They do understand what a good education is; their dreams and aspirations are for their kids to go to college. It's our job to create the path. (LCFFRC, 2017)

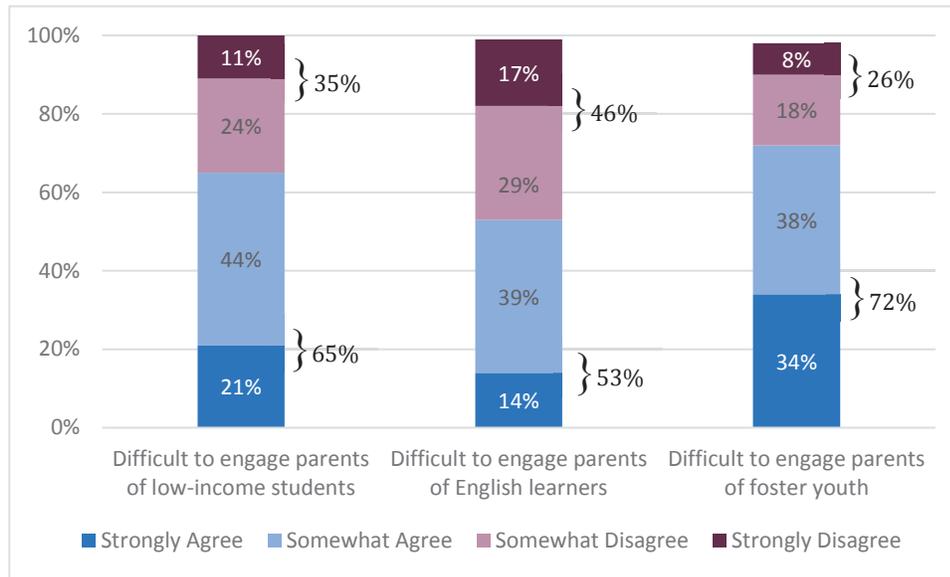
Creating that path has proved quite challenging for many districts. Parents confirmed this superintendent's conclusions and reported that district presentations were often complicated, confusing, and jargon-laden. Districts began from a base of little community understanding of the old and new goal development and budget-setting processes, the intent of the LCFF, or the possibilities the LCFF opened up for local decision-making. At the same time, district officials had little or no experience engaging the public in these areas. Districts also have been faced with the dilemma of reconciling parents' interest in their own children's education with what appeared to be the goal of stakeholder engagement under the LCFF: participation in making decisions that would benefit all students in the district.

A handful of LCFFRC study districts engaged the services of intermediary organizations, including Building Healthy Communities, WestEd, EdTrust West, to help them organize their local communities more effectively and engage a broader range of parents in LCAP development. While officials in these districts found these efforts helpful, results of the superintendent survey suggests this approach is not the norm.

In many districts, parents of students in the targeted populations have been the least engaged. To be sure, engaging a diverse parent population would be a challenge under any circumstance. Securing involvement of parents of low-income students, English learners, and foster youth has presented a significant challenge. Many of the parents of targeted students are working multiple jobs, do not speak English, or are unused to, even intimidated by, the rules and routines of school district bureaucracies.

As Exhibit 7 shows, large percentages of superintendents agree that engaging parents or guardians of these student populations has been difficult.

Exhibit 7. Engaging Parents of Target Group Students



As one district administrator told LCFFRC researchers in 2015:

I feel like the way the law is written and the expectations for engagement are from a very privileged place. You are literate in English or even Spanish and you know what it means to really engage in this type of work. [O]ur parents put so much trust in us as educators and often don't even question [our decisions]. It is a cultural thing to not question an educator in our community. To say to parents that it is your job to make sure that we are doing our job is a different dynamic (Koppich et.al., 2015).

The anemic engagement of parents of targeted students has sometimes been coupled with what the LCFFRC has labeled the “loudest voices” phenomenon. On the superintendent survey, more than half the respondents (55%) agree with the statement, “District engagement activities tend to be dominated by a few stakeholders and that impedes a balanced representation of stakeholders’ interests.”

Interviewees in a number of LCFFRC case study districts reported that parents and community members representing non-targeted students often speak with the “loudest voices” at stakeholder engagement meetings and thus can play an outsize role in shaping the LCAP. For example, in some case study districts, parents advocating for the needs of advanced or gifted students succeeded in expanding opportunities for these students by increasing the number of Advanced Placement courses. These voices often were heard above those advocating for increased supports and services for targeted students (Koppich et.al., 2015).

In two of the LCFFRC districts, historically fractured relations between districts and their communities have presented special challenges. The LCFFRC found that a lack of trust between under-represented parents and their school districts could further complicate engagement efforts (Koppich et. al., 2015). While this is a potential issue that bears watching,

superintendent survey respondents did not count lack of community trust as an engagement hurdle. Eighty-one percent (81%) said this was not a factor in what many of them nonetheless saw as less-than-ideal levels of engagement.

Engaging Principals and Teachers. As noted previously, 87 percent of superintendents say principals are engaged in developing the district’s goals and resource allocation priorities; 81 percent say instructional staff is involved. While the superintendent survey does not provide information about the specifics of principal and staff engagement, LCCFRC research suggests it generally is limited to completing surveys (83% of superintendents say employees are invited to complete surveys) and, in some cases, attending district-wide LCAP meetings. Beyond these activities, teachers in districts that are beginning to shift some decision-making authority to school sites are asked for their views of goals and resource allocation priorities at school site meetings.

Union and Association Engagement. Research shows that engagement of unions and associations around LCAP development varies by district. With regard to teachers, in general, the state of labor-management relations signals the level of teacher engagement. Some teacher union locals were quite significantly involved in LCAP development—setting district goals and shaping resource allocation; others were only minimally engaged.

In one of the LCCFRC study districts with a history of positive labor-management relations, for example, the union president sits on the superintendent’s cabinet and is involved in the high-level decisions about goals, strategies, and funding distribution. In other study districts, union and association involvement in LCAP development ranged from no involvement at all (“I’ve never seen an LCAP,” reported one union president) to semi-regular meetings between the district and union during cycles of LCAP revision. Several districts described general labor-management tension around the LCAP and resource allocation. In a district with a long history of extremely contentious labor-management relations, for example, the union refused to participate in the district’s engagement efforts and organized its own stakeholder engagement meetings (LCCFRC, 2017).

Superintendent survey respondents report that nearly three-quarters (73%) of unions and associations were involved in LCAP development, 30 percent to a great extent and 43 percent to a moderate extent. Results of LCCFRC interviews of union and association leaders in case study districts suggest a somewhat less robust engagement than the superintendents report.

Engaging Students. Nearly half of superintendent survey respondents report that their districts engaged students (10% to a great extent, 38% to a moderate extent). LCCFRC researchers found that as LCCF implementation moved forward, an increasing number of districts made efforts to engage students in LCAP development through surveys, focus groups, on-site meetings between students and the district’s LCAP lead administrator, and meetings with school administrators. Some schools focused engagement on LCCF targeted student populations, especially English learners and foster youth. A few other districts relied on a

Superintendent’s Student Advisory Committee or Leadership Council to solicit student ideas.

Engagement Strategies Evolve

Beginning in 2015 and intensifying in 2016-17, LCFFRC researchers began to notice a subtle shift in engagement strategies, including more districts using school-based meetings to broaden and enhance engagement. Some districts were beginning to change or expand engagement strategies, as they recognized that their old strategies failed to result in meaningful engagement. Districts were learning from experience, learning by doing.

Seven of the LCFFRC’s eight study districts that year began to revise the focus of district-wide LCAP development meetings. Two districts shifted the conversation from decisions about filling out the LCAP template to more global questions such as, “What are your hopes for your children?” and “How can the district help you realize your goals for your children?” Six districts used small group discussions or “gallery walks” to gather parent input about priorities for programs and services, and nearly all tried consciously to revise parent-centered LCFF documents to strip away jargon.

Six of the eight 2016 study districts began to rely more heavily on district-wide committees, such as the District Advisory Committee (DAC) and the District English Learner Advisory Committee (DELAC) to generate ideas about resource allocation and gather information from parents at schools and feed these back to the district. At the initiative of their districts, schools in some of the study districts began to employ informal approaches to gather parent LCAP input, such as “principal coffees” and one-on-one or small group chats between principals and parents (LCFFRC, 2017).

Finally, two of the LCFFRC study districts invested in fledgling efforts to increase parents’ ability and likelihood to engage in the LCAP development process. One district added an LCAP module to its Parent University curriculum to provide parents with basic knowledge about the LCFF. Another provided training to members of district committees to build their knowledge base about the purpose of the LCAP and how funds are allocated and to train parents to bring the information back to schools. (Koppich et.al., 2015).

The School Board Role

Local school boards are elected to set the direction of a district. As part of their responsibility under the LCFF, school boards are legally required to approve the district’s LCAP. It would seem reasonable that, in addition to sanctioning an LCAP, boards would play a broader LCAP development role, perhaps bringing disparate community voices together to create a common vision and consensus about district priorities and how to spend available dollars. After all, school boards have had a diminished role since Proposition 13 removed their taxing authority. While the LCFF does not restore revenue-raising ability, the law does seem potentially to put boards back in the driver’s seat in many ways. Yet when superintendents were asked if the LCFF “has given the school board a stronger voice in the way resources are allocated,” they were evenly split; half said “yes” but half said “no.” LCFFRC research suggests

that, on balance, school boards' involvement in the LCAP process to shape goals and resource allocation priorities is fairly circumscribed.

Slightly more than 70 percent (73%) of superintendents say board members were engaged in 2016–17 in developing goals and resource allocation priorities. Considering a primary job of the board is to determine the direction in which the district will go (priorities) and how to pay for that direction (resource allocation), this number actually seems relatively low. Further examining these results reveals that only 30 percent of superintendents say their boards were engaged “to a great extent” and 25 percent report their boards' level of engagement was “small.”

Drilling down to get a better picture of the LCAP activities in which boards were involved, superintendent survey results show that nearly all boards (96%) provided LCAP formal approval and 75% of boards “participated in public ... meetings to develop goals and resource priorities for the LCAP.” Other options such as “attending meetings outside regular board meetings to ... develop or obtain feedback on the LCAP” garnered only 40 percent. Only 10 percent of superintendents said their school boards participated in writing the LCAP.

While LCFFRC interviews suggest that most board members are knowledgeable about the LCAP, boards seem nevertheless somewhat reluctant to assume much of an out-front role. Some board members who were interviewed said they thought their open involvement in LCAP development would stymie broader public involvement. Some boards participated in meetings with the district superintendent around setting prospective LCAP goals but their participation ended there until it was time to approve the LCAP.

Some board members interviewed by LCFFRC researchers said they trusted the district administration to develop the LCAP and viewed the board's role simply as giving, in the words of one board member, a “stamp of approval.” “We [the Board] are very supportive [of the LCAP] but not too hands-on,” said one interviewee. Another commented, [The administration] tells us what they're going to do.... I have infinite trust in them.” Said a third, “I expect [the staff] to do the job we hire them to do. I have a lot of confidence in these people” (Koppich et.al., 2015). In fact, in six of the eight 2016 study districts, researchers found little evidence of school board involvement in the LCAP beyond approving the document the staff developed.

Section Conclusion: Engagement Challenges Persist

Stakeholder engagement remains a work in progress. Nearly two-thirds of superintendents (64%) say they have received support on stakeholder engagement but they would like more.

In spring 2017, the LCFFRC conducted three additional case studies with the intent of better understanding innovative stakeholder engagement strategies, resource allocation approaches, and how Common Core implementation is revealed in districts' LCAPs. Researchers found a common theme among these three districts, regardless of the focus of the study. That is, these districts viewed stakeholder engagement as central to their comprehensive

improvement strategy. Meaningful engagement for these districts served as a mechanism to refine, modify, and advance their improvement strategy, to promote understanding and establish common goals, and to give all stakeholders a real say in the success of the district and its schools and classrooms (LCFFRC, 2018).

Implementing the LCFF engagement requirement displays the challenge of direct democracy. On the one hand, parents' primary interest understandably is their own children; on other, the LCFF all but demands that stakeholders consider the good of the district, not the welfare of small groups, special interests, or individual students. Direct participatory democracy in the school district is a new experience for many parents. Language issues serve as barriers to participation for many parents as does a lack of familiarity with the ways of bureaucracies that might enable them better to navigate "the system."

Districts continue to ponder the question, "What is the local in local control?" In at least the initial years of LCFF implementation, most districts largely interpreted "local" as the district level. Yet increasingly the obvious became apparent: parents identify most closely with their child's school. Thus, some districts began slowly to shift modest decision-making authority to school sites. Districts continue to struggle to strike the right balance between district and school-based decision-making.

Capacity gaps and communication challenges also encumber engagement. Enacting broad-based stakeholder participation calls on districts to learn new skills that typically are the purview of community organizing groups not school district bureaucracies.

Finally, stakeholder engagement is meant to further LCFF's equity goal. To the extent the "loudest voices" phenomenon is operational, that goal can be stymied. Ensuring that all voices are heard as districts approach the newly communal task of setting goals and allocating dollars remains an LCFF promise, still part of LCFF implementation being a work in progress. *(For additional information on LCFF and stakeholder engagement, see paper by Julie A. Marsh, Michelle Hall, et.al., "Taking stock of stakeholder engagement in California's Local Control Funding Formula: What can we learn from the past four years to guide next steps?," in this series.)*

Local Control and Accountability Plans (LCAPs)

In theory [the LCAP] is a collaborative document that brings together parents, students, staff, community, ... and board members to talk about where [we are], where we want to be, and how we get there. It [should be] about setting goals and looking at progress ...to see how close we are to reaching those goals. (Koppich et al., 2015)

The Local Control and Accountability Plan (LCAP) is a budget and planning tool in the form of a template approved by the State Board of Education. In the LCAP, districts set forth their vision and goals for students, and the strategies and dollars they will use to achieve these goals. This section of the report aims to answer three research questions: (1) What purposes are LCAPs designed to serve?, (2) How have LCAPs evolved over time?, and (3) How do districts view LCAPs?

In many ways, the LCAP has become the public face of the LCFF. The law often is referred to as LCFF/LCAP as if the statute and the tool were one and the same. Of course, the LCAP is just one component of this complex law.

As previously noted, in the LCAP, districts itemize goals and attach dollars and strategies for all students as well as for student subgroups, including targeted students (low-income, English learners, and foster youth), students with disabilities, students who have been re-designated as fluent English proficient, students in defined racial and ethnic subgroups and, beginning this year, homeless students. The LCAP is designed to display publicly the details of anticipated district efforts to achieve equity of opportunity for all students in part by focusing on supports and services for students whose achievement lags. The LCAP thus is meant to offer a visual demonstration of district *inputs* toward reaching equity. The Dashboard, part of the state's new accountability system, provides the visual display of the *outcomes* of district efforts.

The LCAP is organized around the state's eight state priorities: basic services and conditions, academic content and standards, parent involvement, student achievement, student engagement, school climate, course access, and other student outcomes. For clarity and ease of use, many districts have collapsed these into three mega-categories—school climate, student achievement, and parent engagement—around which they build goals and strategies.

Evolution of the LCAP Template

The state has produced three versions of the LCAP since the template was first introduced in 2014–15. Each version has been intended to address issues raised by the previous version. Exhibit 8 illustrates changes made to the LCAP in each version of the template as well as principal stakeholder concerns that surfaced in the course of LCFFRC research. Exhibit 8 displays the evolution of the LCAP.

Exhibit 8. Evolution of the LCAP

	2014–2015	2015–2016 and 2016–2017	2017–2018
Description of template evolution	<ul style="list-style-type: none"> Rolling 3 year plan with three main sections: <ol style="list-style-type: none"> stakeholder engagement; goals and indicators; actions services and expenditures The last section was split into two parts, requiring districts to separate actions/expenditures for <i>all</i> students from those intended to serve <i>targeted</i> student populations. The last section also included information about proportionality. 	<ul style="list-style-type: none"> Rolling 3-year plan with separate sections for each year Goals, metrics, actions, and expenditures were combined into one section Template eliminated separate sections on expenditures for all students and targeted students Annual update required districts compare budgeted and actual expenditures and planned actions with actual implementation as well as explain any changes in goals and strategies Separate proportionality section added. 	<ul style="list-style-type: none"> Changed to a fixed 3-year plan with two annual updates. Added a “Plan Summary” section that includes an overview of the district, reports on progress and challenges, as well as short overview of main strategies to support targeted students Includes a short budget summary Expanded annual update section to include questions about implementation and effectiveness of actions
Main concerns voiced by stakeholders	<ul style="list-style-type: none"> Format of the document made it difficult to fill in and to read Separating goals and metrics from the accompanying actions, services, and expenditures made it challenging to see the connections between these goals and spending 	<ul style="list-style-type: none"> Length of document became unwieldy with addition of annual update and inclusion of details of all three years of plan Did not allow district to “tell their story” Perception of LCAP as compliance document Unable to see which funds were included in LCAP 	<ul style="list-style-type: none"> Still too long and time- consuming

Given its newness, districts' experience with the latest version of the LCAP template has not been widely catalogued, though, as noted, survey results may suggest some views of the current template. In a small sample of 2017 LCFFRC study districts, the newest LCAP incarnation received mixed reviews. These districts expressed appreciation that LCAP 3.0 is "more of a written narrative than in the past," but still said it took long and was too time-consuming to complete. When county superintendents were asked if "the most recent revision of the LCAP template (2017) is helping to streamline the LCAP process and make district plans more transparent to parents and other stakeholder," nearly 80 percent said they agree or somewhat agree (PACE survey, 2017). These findings are worthy of additional review.

The ESSA Addendum to the LCAP

The Every Student Succeeds Act (ESSA) is the 2015 reauthorization of the 1965 Elementary and Secondary Act. Title I of the Act provides federal dollars for education support for students living in poverty.

Under ESSA, California must submit a plan to the federal Department of Education that details how the state will meet the ESSA requirements. Districts, in turn, must submit to the state plans describing how they are addressing ESSA requirements. As of this writing (April 18, 2018), California was close to having a federally approved ESSA plan.

California's approach to document how it is meeting ESSA reporting requirements will be to require each district to attach an ESSA Addendum to its LCAP.¹⁸ Districts will submit their completed Addendum directly to CDE. Still under discussion is whether the Addenda will be reviewed first by COEs before they are submitted to the state.

The California Department of Education worked with district representatives to develop an LCAP Addendum Prototype designed to display a district's adherence to federal requirements for applicable ESSA programs as well as align to the state's eight LCFF priorities. California officials say they will approve an LCAP Addendum only if the plan includes a description of how the [district] will improve school conditions for student learning and address the overuse of discipline practices to remove students from the classroom (California Department of Education memo, April 2017).

While the Addendum has not yet been implemented, anticipatory questions are being raised about whether it will add to the burden of the LCAP. The state is endeavoring to limit additional or duplicative work the Addendum might entail.

LCAP Challenges

Research over four years of implementation of the LCFF has revealed a number of challenges related to the LCAP.

¹⁸ Districts have not yet been directed to complete the LCAP Addendum.

Too many purposes. Since its inception, the LCAP has presented districts with challenges determining the purpose the template is meant to serve. Guidance from the state has indicated the LCAP should be used for: (1) stakeholder engagement, (2) planning and budgeting, and, (3) accountability. Yet many districts have found encapsulating all three in a single document to be both confusing and overwhelming.

Districts have reported it takes significant work time just to complete the document. Many districts have created a new central office position, LCAP Coordinator, whose job is to marshal the data needed to fill in all of the sections of the template. The amount of paperwork involved, including detailing progress on each goal and updating strategies and budget numbers annually, has added complexity and frustration. Since the first year of the LCAP, 2014–15, the completed template in many districts is hundreds of pages long.

LCFFRC research strongly suggests that the LCAP is trying to serve too many purposes simultaneously. The resulting document is too long, too confusing, and all but unreadable for even the most sophisticated educators, let alone parents and community members.

LCAP viewed as a compliance document. As research by the LCFFRC and others has shown, many districts have come to view the LCAP as a compliance document. For example, LCFFRC researchers found that a number of districts questioned whether the eight state-determined priorities around which the LCAP is organized are respectful of the idea of local control, especially since the state places equal weight on all of them. Several district and COE officials interviewed by the LCFFRC said districts should have the flexibility to select from among the state priorities, work on these for a time along with their own local priorities, and then turn to others. As one COE official told researchers:

You should focus on the things first that will have the greatest impact but [districts] are asked to do every priority ... up front. It sure makes it seem like compliance. (Koppich et.al., 2015)

The LCAP seems to reinforce an uneasy tension between local control and compliance. As a district superintendent noted:

The LCAP is meant to demonstrate 'due diligence' to assess and meet needs but it's become too much of a compliance document—too much about dotting all the i's and crossing all the t's. (Koppich et.al., 2015)

A COE official told researchers:

[District] people got excited about telling their own story until they started getting into the [template] ... which was super tedious and people got [discouraged] that this wasn't their story but just some sort of compliance document... (Humphrey & Koppich, 2014)

The notion of the LCAP as a compliance document is reinforced by the three statutory “tests” COEs are required to use to appraise LCAPs: (1) Has the district properly filled out the LCAP template? (2) Does the district have the financial resources to carry out the programs and

goals spelled out in the LCAP? and, (3) Does the plan properly direct supplemental and concentration state funds to the target student populations? Answering these questions may indicate if a district's LCAP meets the letter of the law, but even affirmative answers can fall far short of revealing if a district has embraced the spirit of the LCFF, if, in fact, it is engaging in local decision making around the needs of its community and the students its schools serve.

District officials also have noted the many (other) compliance documents they must submit to the state, often with the same or similar information as the LCAP requires but on different time schedules. One district official lamented:

It would be beneficial to have alignment among different state and federal plans and requirements that we have. Our LEA Plan, alignment with the single plan for students at school sites, our English learner master plan that we incorporated into the LCAP and LEAP.... there is so much that is the same and you have to put it in multiple templates and formats. (Koppich et.al., 2015)

Tension between local control and compliance remains a nagging concern. As Michael Fullan noted in his 2017 report on LCFF implementation, "A compliance mindset seems to be alive and well in California's education sector" (Fullan & Rincon-Gallardo, 2017). Making the cultural shift from compliance to a more coherent approach to planning and budgeting is difficult for both districts and COEs, many of whose leaders cut their professional teeth in California's compliance-oriented categorical funding era. As LCFFRC research has shown, the LCAP by itself does not produce coherence.

While districts sort this out, COEs are receiving some much-needed direction from the California County Superintendents Educational Service Association (CCSESA). The organization notes in its 2017 LCAP handbook, "For the LCAP process to be productive and benefit students across the state, it should not become a mere compliance exercise that simply follows the funds, but a coherent document" (CCSESA Handbook, 2018, February).

LCAP as a strategic plan? As noted previously, the state has been somewhat vague about what the LCAP is meant to be. If, in fact, available state guidance is taken literally by districts—that the LCAP is a tool to be used to help districts define goals and strategies and allocate resources—it is not too far a bridge to think of the LCAP as a guide developing a strategic plan. Again, the state has neither implicitly nor explicitly expressed that the LCAP should be used as a template for strategic planning though it has been interpreted as such by some organizations. The Public Policy Institute of California's 2016 report, *Strengthening Local Accountability*, described the LCAP as a "strategic planning approach to the improvement process" (Warren, 2016). Yet LCFFRC research has shown that rather than a coherent set of strategies to guide meaningful work, LCAPs often resemble lists of programs and services designed to meet requirements.

Some LCFFRC study districts did have strategic plans that guided their vision and goals. By and large, these plans were in place prior to the LCFF and, therefore, prior to the LCAP requirement. Developing strategic plans in these districts generally entailed considerable

stakeholder engagement and community input and a great deal of collective consideration, examination of district data, and hard thinking about how the district should go about taking steps to dovetail community interests with district strategies and funding capabilities. Districts with these well-developed strategic plans reported high levels of community interest in the development process.

“It doesn’t let us tell our story.” LCFFRC researchers heard in district after district, “The LCAP doesn’t let us tell our story.” What they meant was the completed template did not paint a picture that would allow the reader to understand the district’s goals and priorities or strategies for achieving them. The box below illustrates the LCFFRC’s findings about the LCAP and implementation of Common Core State Standards. On balance, LCAPs did not reveal a great deal about how districts were approaching this important state priority.

Common Core Implementation and the LCAP

Implementing Common Core State Standards (CCSS) is one of the eight LCFF state priorities and a major thrust of California education policy. The state began implementing CCSS nearly simultaneously with implementing the LCFF. In 2016, the LCFFRC undertook a review of select LCAPs in an effort to determine how this important state policy priority is revealed in the completed template. What is the relationship between implementing the CCSS and the LCAP’s goals, strategies, and funding—or at least, what can a reader tell by examining the LCAP? How do LCAP allocations advance CCSS implementation? To what extent does the LCAP indicate that targeted students have access to standards-aligned instruction and supports? What does the LCAP reveal about how the district is approaching these new standards and the kinds of fundamental changes in teaching it requires?

The research showed that the prominence of CCSS in LCAPs varies considerably. CCSS implementation, as indicated in the LCAPs examined, primarily is addressed in dollars directed to the purchase of core and supplemental texts and materials in English language arts and mathematics. Professional development is an evident use of resources and a strategy for enhancing teaching, but LCAPs suggest that districts’ Common Core-related professional development is organized largely as lists of activities rather than as a coherent approach. While LCAPs identify specific supports for targeted students, it is not clear how or if these supports align with implementing CCSS.

Thus a reader is left with more questions than answers about how a district is dealing with the challenge of implementing the Common Core. The LCAP generally does not reveal coherent strategies or a cohesive plan. Researchers postulate that this dilemma may be more closely related to the nature of the template than to districts’ actual approach to the issue.

What funds? As EdTrust–West noted in its 2016 LCFF report,

In the spirit of local control, the state does not require how much or how little of the total district budget is represented in an LCAP. Rather, districts determine which actions are most relevant to include, and only expenditures associated with those actions appear in LCAPs. (EdTrust–West, 2016)

This interpretation notwithstanding, research by the LCFFRC shows, as noted in the Resource Allocation section of this paper, that many districts have been confused about which funds to include in their LCAPs. One LCFFRC study district separated “the LCFF program” from “the LCAP program,” as if they were separate and apart from one another. In this district, LCAP community engagement revolved exclusively around supplemental and concentration dollars. As noted previously, some districts included federal funds in their LCAPs; many did not. Districts also received varying instructions from their COEs about what dollars should be detailed in the LCAP, thus adding to the confusion. The answer to the “what funds?” question thus often was dependent on which COE was answering the question.

One of the thorniest LCAP issues has been lack of transparency about how supplemental and concentration funds are being used. In the first year of LCAPs, for example, a number of the LCFFRC study districts reported keeping a double set of books, one set that accounted for the specific use of supplemental and concentration funds and one that blended all funds. Advocacy groups have argued that without specific public accounting for supplemental and concentration funds, it is not possible to know for sure if these dollars are going to support the targeted students. The state has argued subtlety; the law calls for additional supports and services for low income students, English learners, and foster youth, not a one-for-one ledger of the dollars. The Governor’s trailer bill to the 2018–19 budget includes a proposal that requires districts to show how their budget expenditures align with the strategies detailed in their LCAPs for serving students who generate the supplemental and concentration grant dollars.

Finally, the setup of district budgets and LCAPs has led to a situation where it is not possible to “map” a district budget onto an LCAP and vice versa. The state has long used a district budget reporting system that was designed for a categorical funding system, not a system that emphasizes local fiscal flexibility. The Governor has proposed a fix for this as well. The budget trailer bill contains a section titled, “Align School District Budgets with LCAPs” that reads:

Effective July 1, 2019, each budget shall include a summary document that links budget expenditures to corresponding goals, actions, and services in the school district’s local control and accountability plan for the ensuing fiscal year.

The State Board of Education will be required to develop a template for the summary document by January 30, 2019. That summary document will make possible a crosswalk between LCAPs and district budgets. By implication, it also will answer the question about what (state) funds to include in LCAP—all of them.

LCAP as a communication tool. If the LCAP is meant to be a tool by which a district communicates its goals, strategies, and budget decisions, LCFFRC research as well as research by other organizations, suggests the template has fallen short. “Unwieldy” and “not community-friendly” are two of the descriptors LCFFRC researchers have heard to describe the LCAP. As one district administrator told researchers:

You have to constantly give ... the Cliffs Notes on it. ...It's a mystery document. Nobody knows what is in it. It doesn't inform very many people of anything because nobody wants to read it. (Koppich et.al., 2015)

Noted another district official:

If you're Mom and Dad, and I hand you the LCAP, there is no way that you can read it. You open the first page and ... if you try to see where your child falls in here, how would you know? (Koppich et.al., 2015)

And yet the results of the superintendent and COE surveys suggest a different outcome. When asked if “The LCAP is an effective tool for communicating our district’s goals and strategies for the community”, 70 percent of superintendents agree (49% only somewhat agree), and 81% of COE superintendents agree (61% somewhat agree). These results bear more investigation.

LCAP guidance and support. The LCAP is complex and for many districts, has been confusing. Support has been vital. Nearly all superintendents (99%) report that their districts have received guidance for their LCAPs. The vast majority (92%) say this guidance and support has come from their COE. When asked how useful COE LCAP guidance was, two-thirds of superintendents (67%) say they found it very useful and another 27 percent somewhat useful.

Beyond COEs, nearly half of superintendents (47%) say they sought LCAP assistance from administrators in other districts and nearly all found this guidance very useful or somewhat useful. Superintendents sought LCAP guidance from other organizations as well but with less frequency. For example, 40 percent (40%) of superintendents report they sought LCAP guidance from CDE and about a third (32%) say they turned to the Association for California School Administrators (ACSA). Nineteen percent (19%) say they sought assistance from CCEE.

The vast majority of superintendents who sought help (83%) reported their greatest need for support was to complete technical aspects of the LCAP template. More than half (58%) reported they needed more assistance than they received. More than half of superintendents (59%) received support to develop LCAP goals and strategies; 59 percent also reported they would like additional guidance in this area. Nearly two-thirds of superintendents (62%) who sought support for measuring their district’s progress toward meeting their LCAP’s said they did not receive enough help in this area. Finally just above 40 percent of superintendents (42%) reported they received support to communicate their LCAP to parents and the community; 59 percent reported they needed more help than they received.

Districts, then, sought support and assistance for a variety of LCAP-related challenges. Yet assistance was not sufficient to meet the requested need. Results of the PACE COE survey paint a somewhat different picture, suggesting that COEs have the capacity to meet districts' needs and are doing so. This may be an indication that COEs are underestimating districts' ongoing needs for support and assistance.

Small district dilemma. As described in the Resource Allocation section of this paper, the LCAP presents a special challenge for small and often rural districts as they are subject to the same LCAP requirements as large districts. Shasta Elementary District with a student population of six must complete the same LCAP template as the Los Angeles Unified School District with a student population of nearly 600,000 (CalEdFacts, 2017). The level of effort required to develop the LCAP substantially strains these small districts' already limited central office capacity. LCFERC research has shown that this is a clear case where one size (LCAP) does not fit all.

Section Conclusion

The LCAP template has evolved over the last four years in an effort to address issues raised by districts that have struggled to meet the demands of a lengthy and complex document with multiple purposes. Nonetheless, considerable problems remain. The LCAP tries to serve too many purposes. It remains burdensome and cumbersome. Districts tell researchers the template is not suited to communicating their improvement goals or strategies, that it is more about compliance and less like a coherent strategic plan.

In a new effort to address LCAP challenges, four organizations—Pivot Learning Partners, WestEd, CCEE, and the California Collaborative for District Reform have teamed with three school districts—Elk Grove, Oceana, Azusa—to form a “test kitchen” to work on reformatting the LCAP. Their goal is to create “an annual district budget and planning document that is more readable, credible, and manageable” and hope to have something by June 2018 (Fensterwald, 2018, February 13). Their results bear watching.

County Offices of Education

This section covers the role of County Offices of Education (COEs) in LCFF implementation. The research questions are: (1) How are COEs approaching their new responsibilities under the LCFF? (2) How does the varying capacity of COEs to do this work impact districts?

The LCFF significantly expands the traditional support and oversight roles of County Offices of Education. The law gives COEs the authority to approve, require changes in, or reject completed LCAPs.¹⁹ COEs serve as the final arbiter of whether or not an LCAP meets state standards and requirements. With the emerging California System of Support (described in the LCFF Basics section of this paper and reviewed at the end of this section), COEs also are assuming substantial responsibility for assisting struggling districts to improve.²⁰

Some of the responsibilities the LCFF assigns to COEs are reasonably analogous to duties for which they have been responsible under other state laws. For example, under a set of state statutes known as AB 1200, COEs oversee district fiscal health, reviewing and approving district budgets, certifying that a district's adopted budget will allow it to meet its financial obligations in the coming year and two succeeding years. AB 1200 further authorizes COEs to intervene in fiscally troubled districts, granting them the power to appoint an advisor to work with districts or to exercise "stay or rescind" powers over district spending decisions (Warren, 2016).

COE Attitudes Toward the LCFF

As do district superintendents, COE superintendents view the LCFF generally favorably. On the PACE survey, when COE superintendents were asked if "the LCFF has improved education services for English learners, students living in poverty, and foster youth," 84 percent agreed or strongly agreed. When asked of the LCFF "removed essential protections that categorical programs once provided for high-needs students in my county," COE superintendents reported it does not, though this response is somewhat more equivocal. Sixty-one percent (61%) said LCFF does not diminish protections for high-needs students but 41 percent only "somewhat" agreed this is the case. More than a third of COE superintendents (38%) said they believe LCFF did remove essential protections from the most needy students (PACE, 2017).

¹⁹ It does not allow COEs to change the substance of LCAPs by, for example, requiring changes in goals or priorities.

²⁰ COEs also are required to complete their own LCAPs for those programs within their jurisdiction, such as court schools. In addition to the eight state priorities, COEs' LCAPs must address two additional priorities: coordinating instruction for expelled students and managing services for foster youth. COE LCAPs are approved by CDE.

New Responsibilities Tax Capacity

Regardless of COE superintendents' general plaudits for the intent of LCFF, COE officials told LCFFRC researchers that the responsibilities added by the LCFF often strain their capacity. The LCAP approval process is extremely time consuming they say, with a steep learning curve for an often-limited staff. Not only does COE staff need to understand deeply the details around LCAPs, they also must grapple with the fundamental cultural change the LCFF represents, specifically a shift from the categorical mindset of most California educators.

As described earlier in this paper, prior to the LCFF, state laws and programs largely bounded districts' fiscal decisions. The new system of fiscal flexibility that is the hallmark of the LCFF shattered old norms and required those at both the district COE level to rethink traditional ideas and approaches.

As one COE official told LCFFRC researchers,

It's a challenge for us to discard our categorical mindset. We're moving from an accounting system to accountability. That's a tough shift. (Humphrey & Koppich, 2014)

Shifting COE administrators' mindset is a fairly slow and deliberative process as COE staff work to overcome many years of compliance orientation. As one COE administrator told researchers:

We have a whole generation of ed[ucation] services administrators who have been geared, programed, and fine tuned to do one thing—be in compliance. They are compliance thinkers. (Koppich et.al., 2015)

Technical Assistance

Most COEs have offered technical assistance to districts in their county to help them complete their LCAPs. While technical assistance has taken different forms in different COEs, in general, COEs have endeavored to help districts understand the state LCAP approval criteria, provided information about how to complete the LCAP template, and offered updated information as the template has changed.

Particularly in the first two years of LCFF implementation, a number of COEs brought district teams together with COE teams in workshop settings. Importantly, in these early years, when districts were beginning to get used to the idea of new ways of budgeting now-flexible dollars, COEs modeled a non-siloed approach to budgeting with their own staff teams. Many county offices also met individually with districts to provide one-on-one assistance on specific LCAP issues. According to results of a survey of COE superintendents by the Public Policy Institute of California (PPIC), more than 80 percent of COEs reported they have provided assistance to districts in their county to help them strengthen their LCAPs by refining goals and targets. (Koppich et.al., 2015; Warren, 2016)

COE efforts to provide support and assistance to their districts notwithstanding, the ambiguity surrounding LCAPs has led to wide variation in the policy interpretations and guidance COEs have provided to districts. Such LCAP problems as confusion over the purpose of the template, which funds ought to be included, and how these funds could appropriately be used, is a challenge given the varying levels of COE staff knowledge and capacity within and between the state's 58 COEs. As LCFFRC researchers learned, different COEs have offered differing advice and support on key aspects of LCAP development and completion.

Local Control or Compliance?

As noted in the LCAPs section of this paper, LCFF implementation often has heightened tension between local control and compliance. Where are the limits of district flexibility and the limits of COE authority? Many COEs still struggle to strike the appropriate balance between supporting districts to exercise their new fiscal flexibility in ways that meet the needs of their own communities (the technical assistance role) and ensuring that state requirements are met (the LCAP evaluation role). As one district administrator told LCFFRC researchers:

I've been worried all along that the local is going to be the small 'l' and control is going to be the big 'C' in this whole process as it evolves. Koppich, et.al., 2015)

COE officials, too, have expressed frustration. "We become the L-COPs," one COE official told researchers (Koppich et.al., 2015). Several COEs expressed a desire to coach districts rather than simply enforce compliance. Some have taken steps to ameliorate the LCAP's compliance orientation. As one COE official told researchers:

We review of the LCAP for the three areas that county offices are required to look at is more or less a compliance checklist activity. But we wanted to look at how do we ensure that our districts have a plan that in fact will have an impact on closing the achievement gap and ensuring all students are college and career ready. So we set some areas out that we are looking at more closely so we can ensure that we can provide some recommendations and supports to our districts. (Koppich et.al., 2015)

COEs have relied for guidance as they have charted the new LCAP waters on trainings, toolkits, and manuals developed by the California County Superintendents Educational Services Association (CCSESA). Results of the PACE county superintendents survey show that 79 percent (79%) of these officials find CCSESA support and activities "very helpful" as COEs work with districts on LCFF implementation matters (PACE, 2017). As a point of comparison, as noted in the LCAP section of this paper, 62 percent of COE superintendents find help and support from colleague COEs. Other support providers, including CDE and CCEE, rate much lower.

Many COEs report their LCFF implementation roles have required some fundamental changes in way they do business, for example, moving staff from their usual responsibilities to handle LCAP work. LCFFRC researchers were told in several COEs that absorbing the new LCAP work meant setting aside planned Common Core implementation activities or delaying fulfilling

responsibilities required under federally funded programs administered by the COE (Koppich et.al., 2015).

PACE COE superintendent survey results reveal half of COEs (50%) made changes in staff assignments and budget allocation to support LCFF implementation. More than 40 percent (43%) say they “made big changes, placing LCFF implementation at the center of our work with districts in our county and learning to work with them in new and different ways.” Just seven percent of COE superintendents say they “already had the necessary systems and personnel in place to support implementation of LCFF in the county” (PACE, 2017).

As the state’s new Support and Intervention System moves ahead, COEs will find themselves with even greater obligations and responsibilities as they work with districts to provide tailored assistance. One question on the PACE survey queried COE superintendents about developing requisite areas of expertise. Just above two-thirds of survey respondents (39%) believe COEs should develop their capacity to provide assistance in *all* areas relevant to LCFF implementation. More than 40 percent of COE superintendents (43%) agree with the statement, “COEs should develop strong expertise in one or two areas relevant to LCFF implementation and partner with other organizations or COEs in other areas (PACE, 2017). How or if those kinds of partnerships will materialize around COEs’ new support and intervention responsibilities, and whether even if they do materialize they will be sufficient to do the job, remains to be seen.

Relationships Between COEs and Districts

The relationship between a COE and its districts impacts the ability of the COE to provide guidance and support. COE superintendents report that, “LCFF has significantly improved relationships between the COE and districts in my county” (PACE, 2017). Yet LCFFRC researchers found in interviewing district officials, these relationships run the gamut from cordial and collaborative to, at best, arms length.

Small districts rely on COEs more heavily for training and advice than larger districts do, and generally are more comfortable working with COEs. Like small and rural districts, small and rural COEs often face acute capacity issues helping their districts with LCFF implementation issues. Because the districts are so small, even prior to the LCFF, the COE often assumed typical district roles such as budget development and curriculum and instructional improvement. These COEs have even fewer slack resources to allow them to take on LCFF responsibilities, especially the LCAP.

LCFFRC researchers found that larger districts’ relationship with their COEs often is more fraught. These districts tend to have more specialized staff assigned to the LCFF implementation tasks. Administrators in some large districts reported that their own staff knew more than COE employees about helping the district with matters such as stakeholder engagement, priority setting, and resource allocation.

As suggested earlier in this section, the district-COE relationship likely will become more significant as the California System of Support takes effect. Though still evolving, this new multi-pronged system adds yet again to the responsibilities on COEs' plates. COEs will be required to provide assistance to districts the state identifies as underperforming, as illustrated by Dashboard results.²¹ As of December 2017, the state had identified one in four districts as requiring assistance; many other districts, not officially identified, will require assistance as well to put them on the road to improvement.

Section Conclusion

The state has not yet clarified several important aspects of the new district support system. How will COEs, the CDE, and CCEE work together to provide targeted and appropriate support? Which entity will be responsible for what aspects of support? How will the state prevent support from becoming more compliance? How will the state ensure that districts receive clear and consistent messages about requesting and receiving support and their obligation for using support to achieve productive results?

These and myriad questions remain unanswered. Complicating this situation even more will be COEs' varying and often-limited capacity to offer the kinds of targeted assistance districts are likely to need.

²¹ Districts can accept the assistance offered by their COE, or request assistance from the CCEE or from another provider.

Conclusion: Is LCFF Working? Will It Work?

The October 2017 release of the Smarter Balance test results show little or no improvement compared to the previous year. While some suggest that the flat scores indicate that the LCFF is not working, others argue that the LCFF, the accompanying accountability system, and a statewide system of support for low-performing districts have not been fully implemented.

In contrast to the overall flat scores, a recent study by Rucker C. Johnson and Sean Tanner examined the impact of the LCFF on student outcomes and found significant improvements in high school graduation rates and academic achievement particularly among students from low-income families (Johnson & Tanner, 2018). The LCFFRC's research found numerous examples of districts that financially benefitted from the state's new funding system and showed impressive test score gains. At the same time, LCFFRC researchers found other districts that received significant funding increases under the LCFF but did not realize improved test scores.

Many different and significant improvement efforts are underway in school districts across the state along with changes in districts' demographic make-ups that can make predictions about the pace of improvement difficult. At the same time, a host of factors are disrupting many students' lives, including increasing homelessness and challenges created by federal immigration policies.

While evidence offers support that the combination of increased resources and strategic use of these resources can result in improved outcomes for students, it is also clear that additional resources alone cannot achieve LCFF goals. The assumptions undergirding the LCFF—the benefits of local determination of resource allocation, the power of stakeholder engagement to set priorities and hold local districts accountable, and the multiple measures of school and district progress embodied in the Dashboard—will need time to be realized.

Going forward, the mix of County Offices of Education and CCEE support for the lowest performing districts will be critical to the LCFF's success. A quick look at recent state efforts to support school and district improvement and the level of investments in the state's new System of Support as detailed in the Governor's proposed budget should temper optimism for quick results. In the early 2000s, in the midst of the No Child Left Behind era, California invested hundreds of millions of dollars in a variety of programs designed to improve low-performing schools and districts. These included the Immediate Interventions/Underperforming Schools Program, the High Priority Schools Grant Program, School Assistance and Intervention Teams, and District Assistance and Intervention Teams (DAIT). Evaluations of these programs found that they had either negligible or no overall impact on student achievement. In the case of DAIT, the state spent \$44.25 million on intervention and support for 43 districts (ranging from \$200,000 to \$4.8 million per district). The governor's budget allocates approximately \$76 million in funding for COEs and the CCEE to support 218 districts. The recent *EdSource* analysis suggests that an additional 561 districts have at least one racial ethnic or racial subgroup with low (orange or red) ratings on the new Dashboard) in math or language arts.

These districts, however, do not qualify for assistance under the State System of Support (“New system of support,” 2017)

If the Governor’s level of investment for support for school districts is enacted, it is fair to assume that these supports will tax the capacity and expertise of COEs and the CCEE. Concurrently, basic assumptions of the LCFF and its commitment to subsidiarity likely will be tested. The next governor, State Superintendent, and members of the California legislature will face some hard choices. They can return the state to the categorical funding system that was unsuccessful for 40 years, embrace ideas that further diminish public education, or tweak the Grand Vision embodied in the LCFF. The latter seems like the most promising approach.

Policy Implications

Results of four years of research on implementation of the LCFF suggests six areas for policymaker review and action:

1. Attend to Fiscal Insufficiency

Policymakers should consider developing a strategy to address California education’s fiscal inadequacy. Educators and a majority of likely voters agree that the state needs to increase funding for public schools.

2. Increase transparency.

The LCAP requires at least two specific fixes: (a) transparency so that it is clearer how districts are increasing supports and services for targeted students, and, (b) reduced burden to make the document more readable, succinct, and coherent. In particular, policymakers should consider ways to reduce the LCAP burden on small and rural districts. At the same time, the state should encourage alternatives to the LCAP.

3. Expand guidance on supplemental and concentration grants.

The state should consider providing additional guidance to districts on the appropriate uses of supplemental and concentration dollars with an eye toward helping districts deploy these dollars in the service of increased equity.

4. Give districts greater discretion to meet the local needs of special student populations.

The LCFF targets additional funds to low-income students, English learners, and foster youth. As of this school year, districts must also account for services for homeless students. Many districts have other categories of high-need students such as African-American boys, Native Americans, and undocumented students. The state should consider allowing districts, with appropriate justification, to use supplemental and concentration dollars for supports and services for local high-need populations.

5. Provide additional guidance on differentiating supports and services for English learners and foster youth.

The state should consider ways to provide districts with more guidance for differentiating supports and services for these student groups. Given the unduplicated funding portion of the LCFF formula, English learners and foster youth often are swept up in the low-income category. Yet their needs are distinct and different. The state should offer additional guidance, perhaps in the form of examples, of strategies to help ensure districts pay attention to needs particular to ELs and foster youth.

6. Assess early and, where necessary, bolster support for the new System of Support.

The state's new System of Support is in its infancy. Its efficacy needs to be appraised early and often and adjustments in process and funding made as necessary. At the outset, the state should: (a) send a clear message that the system is about support and not compliance, (b) be clear about the roles of COEs, CDE and CCEE, and (c) develop a mechanism for holding both districts and the new system of support accountable for improvement.

References

- 2017–18 Governor’s budget summary. (2017). Retrieved from <http://www.ebudget.ca.gov/2017-18/pdf/BudgetSummary/FullBudgetSummary.pdf>
- 2018–19 Governor’s budget summary. (2018). Retrieved from <http://www.ebudget.ca.gov/budget/2018-19/#/Home>
- Baldassare, M., Bonner, D., Kordus, D., & Lopes, L. (2016). *Californians & education*. Public Policy Institute of California. Retrieved from http://www.ppic.org/content/pubs/survey/S_416MBS.pdf.
- Brown, Gov. Jerry. (2013). *2013 State of the Union address*. Retrieved from <http://www.governing.com/news/state/california-brown-2013-speech.html>
- CalEdFacts. (2017). Largest & smallest public school districts – CalEdFacts. Retrieved from <https://www.cde.ca.gov/ds/sd/cb/ceflargesmalldist.asp>
- California Department of Education. (2014). *Report to the governor and legislature: Foster Youth Services Program* (2014), Retrieved from www.cde.ca.gov%2Ffls%2Fpf%2Ffy%2Fdocuments%2Fflrfyslegreport2014.doc&ei=Wo3SVPPgHoyWgwS8koGQBw&usg=AFQjCNG_f5G2qF3GPa5jDsfTqKJbYEzxiw&sig2=mB5iFkMk3m8g6pIL0fiW1w&bvm=bv.85142067,d.eXY.
- California Department of Education. (2017). California school dashboard: Technical guide 2016-17 school year, updated March 2017. Retrieved from <http://www.cde.ca.gov/dashboard/>
- California Department of Education memo, (2017, April). www.cde.ca.gov/be/cc/cp/documents/memo-cpage-apr17item03v2.doc
- California should be able to reduce public employees’ pension benefits, Jerry Brown argues. (2017, November 28). *Sacramento Bee*. Retrieved at <http://www.sacbee.com/news/politics-government/the-state-worker/article186044653.html>.
- CalPERS. (2018). *A solid foundation for the future*. (Updated April 9, 2018). Retrieved from <https://www.calpers.ca.gov/page/about/organization/facts-at-a-glance/solid-foundation-for-the-future>
- Ed 100. (2017). *Who pays: Where California’s public school funds come from*. Retrieved from <https://ed100.org/lessons/whopays>.
- Ed 100. (2018). *Prop 13 and Prop 98: Then and now*. Retrieved from <https://ed100.org/lessons/prop13>.
- EdTrust–West. (2016). *Puzzling plans and budgets: Making sense of California’s second year local control and accountability plans*. Retrieved from <https://west.edtrust.org/wp-content/uploads/sites/3/2015/11/ETW-April-2016-Report-Puzzling-Plans-and-Budgets-Final.pdf>
- Ed Trust–West. (2017). *The steep road to resource equity in California education: The Local Control Funding Formula after three years*. Retrieved from https://29v0kg31gs803wndhe1sj1hd-wpengine.netdna-ssl.com/wp-content/uploads/sites/3/2015/11/ETW_Steep-Road-to-Resource-Equity-in-CA_Final_Report_April_11_2017.pdf
- Fensterwald, J. (2017, February 28). How does California rank in per pupil funding? It all depends. *EdSource*. Retrieved from <https://edsources.org/2017/how-does-california-rank-in-per-pupil-spending-it-all-depends/577405>

- Fensterwald, J. (2017, July 9). Author strips key parts of bill requiring more transparency in school spending. *EdSource*. Retrieved from <https://edsources.org/2017/districts-oppose-advocacy-groups-bill-demanding-more-accounting-for-spending-lcff/584344>
- Fensterwald, J. (2018, February 13) Creating a “test kitchen” to come up with a better school accountability plan in California. *EdSource*. Retrieved from <https://edsources.org/2018/3-districts-and-partners-pursue-ambitious-goal-designing-a-better-lcap/593458>
- Fullan, M., & Rincon-Gallardo, S. (2017). *Taking stock: Leadership from the middle*. Retrieved from https://michaelfullan.ca/wp-content/uploads/2017/09/17_Californias-Golden-Opportunity-Taking-Stock-FinalAug31.pdf
- Fuller, B., Castillo, E., Lee, J., & Ugarte, C. (2016). *Will \$4 Billion in new spending make a difference? Narrowing achievement gaps in Los Angeles*. Berkeley, CA: University of California, Berkeley. Retrieved from <https://gse.berkeley.edu/sites/default/files/users/bruce-fuller/Berkeley-UW-LAUSD-June2016.pdf>
- Hill, L., & Ugo, I. (2015). *Implementing California’s school funding formula: Will high-need students benefit?*, San Francisco: Public Policy Institute of California. Retrieved from http://www.ppic.org/content/pubs/report/R_315LHR.pdf
- Humphrey, D., & Koppich, J. E. (2014). *Toward a grand vision: Early implementation of California’s local control funding formula*. San Francisco, CA: J. Koppich & Associates. Retrieved from <https://www.sri.com/work/publications/toward-grand-vision-early-implementation-californias-local-control-funding-formula>
- Humphrey, D., & Koppich, J. (2015). *Foster youth and early implementation of the local control funding formula: Not yet making the grade*. Menlo Park, CA: SRI International. Retrieved from <https://www.sri.com/work/publications/foster-youth-and-early-implementation-local-control-funding-formula-not-yet-making>
- Johnson, R., & Tanner, S. (2018), *Money and freedom: The impact of California’s school finance reform*. Menlo Park: Learning Policy Institute, Retrieved from <https://learningpolicyinstitute.org/product/ca-school-finance-reform-brief>
- Koppich, J., Campbell, A., & Humphrey, D. (2015). *The Local Control Funding Formula: Staking out the ground for early learning*. Menlo Park, CA: SRI International. Retrieved from <https://www.sri.com/work/publications/local-control-funding-formula-staking-out-ground-early-learning>
- Koppich, J., Humphrey, D., & Marsh, J. (2015). *Two years of California’s Local Control Funding Formula: Time to reaffirm the grand vision*. The Local Control Funding Formula Research Collaborative. Policy Analysis for California Education (PACE): Stanford University. Retrieved from <http://edpolicyinca.org/sites/default/files/LCFF.pdf>
- LAUSD (Los Angeles Unified School District). (2017). *Actuarial Valuation Report*. Retrieved from <https://boe.lausd.net/sites/default/files/04-17-18COW2017LAUSDGasbOpebActuarial.pdf>
- LCAP approval manual: A guide for review and approval of LCAPs*. (2018). California County Superintendents Educational Services Association. (Updated February 2018). Retrieved from <http://ccsesa.org/special-projects/lcap-approval-manual/>
- LCFFRC Statewide Superintendent Survey on LCFF implementation. (2018, April). Unpublished raw data.

- LCFFRC (Local Control Funding Formula Research Collaborative). (2017). *Paving the way to equity and coherence? The Local Control Funding Formula in year 3*. Retrieved from https://edpolicyinca.org/sites/default/files/LCFFRC_04_2017.pdf
- LCFFRC (Local Control Funding Formula Research Collaborative). (2018). *How stakeholder engagement fuels improvement efforts in three California school districts*. Retrieved from http://edpolicyinca.org/sites/default/files/LCFF_RC_engagement%20cases.pdf
- Local control funding formula guide*. (2016). EdSource. <https://edsources.org/wp-content/uploads/2016/02/lcff-guide-print-version.pdf>
- Loeb, S. (2017, January 31). *Susanna Loeb on funding adequacy for California schools*. [Stanford CEPA YouTube]. Retrieved from <https://cepa.stanford.edu/news/susanna-loeb-funding-adequacy-california's-schools>.
- National Center for Education Statistics. (2017). *Local Education Agency (School District) Universe Survey*. Retrieved from. <http://nces.ed.gov/ccd/pubagency.asp>.
- New system of support contributes to student success*. (2017, September 13) EdSource. <https://edsources.org/2017/new-system-of-support-contributes-to-student-success/587309>
- Nittle, N. K. (2016, August 26). Why school funding will always be imperfect. *The Atlantic*. Retrieved from <https://www.accelify.com/accelify-blog/2016/08/26/school-funding-will-always-imperfect/>
- PACE and USC Rossier polls (2018). Retrieved from <http://edpolicyinca.org/projects/pace-and-usc-rossier-polls-2018>.
- PPIC (Public Policy Institute of California). (2018). *Californians & education*. Retrieved from <http://www.ppic.org/wp-content/uploads/s-418mbs.pdf>.
- Survey results: County Offices of Education and LCFF implementation. (2017). Policy Analysis for California Education. Unpublished raw data.
- Valdés, G., Kibler, A., & Walqui, A. (2014). *Changes in the expertise of ESL professionals: Knowledge and action in an era of new standards*. Alexandria, VA: TESOL International Association. Retrieved from <http://www.tesol.org/docs/default-source/papers-and-briefs/professional-paper-26-march-2014.pdf>.
- Warren, P. (2016, August). *Strengthening local K-12 accountability: The role of county Offices of Education*, San Francisco: Public Policy Institute of California. Retrieved from http://www.ppic.org/content/pubs/report/R_816PWR.pdf

Appendix

LCCFRC Methodology

While this paper makes use of data from several sources (noted in the References section), it relies principally on results of the Local Control Funding Formula Research Collaborative's (LCFFRC) four years of research on LCFF implementation. The LCFFRC, a diverse group of experienced researchers at different universities and organizations, continues to conduct LCFF implementation research.²² Reported here are cumulative results of research conducted between October 2014 and March 2018, including 30 case studies encompassing more than 500 interviews as well as a statewide superintendent survey. The LCFFRC has published six reports detailing its work, with an additional report on results of the superintendent survey due in May 2018.

LCFFRC Case Studies

Year One Research

The purpose of the first year's research was to provide a broad overview of LCFF implementation. Data were collected between June and October 2014 and focused on four broad research questions:

- How are school districts using their newfound budget flexibility in this early implementation phase?
- How are districts engaging parents and other stakeholders?
- What opportunities and challenges do they foresee with the LCFF?
- What can state policymakers learn from these early experiences?

In order to frame this initial implementation study, researchers first interviewed key Sacramento policymakers and staff to gather background information on the LCFF and policymakers' views about implementation. Policymakers were queried about matter such as the development of the LCFF, how target groups were chosen, what LCFF "success" might look like, and what they saw as implementation challenges for district and county offices of education. Answers to these questions helped the research team to frame research foci for the first year of research.

²² Principal LCFFRC researchers are Julia Koppich (J. Koppich & Associates), Daniel Humphrey (Independent Consultant), Julie Marsh (University of Southern California), Jennifer O'Day (American Institutes of Research), Magaly Lavadenz (Loyal Marymount), and Laura Stokes (Inverness Research).

In the first year of data collection, the research team sampled 10 districts from across California that were diverse in terms of enrollment, geographic region²³, urbanicity²⁴, and proportion of unduplicated students²⁵ (Tables A-1 through A-4).

Table A-1. Study districts’ enrollment

Enrollment 2013–14	Number of Case Districts
< 4000	3
4,000 – 10,000	2
10,000 – 40,000	2
40,000 – 100,000	2
> 100,000	1

Table A-2. Study districts’ urbanicity

Urbanicity	Number of Case Districts
Rural	0
Town	3
Suburb	3
City	4

Table A-3. Study districts’ unduplicated student group percentages

Percentage of unduplicated pupils 2013–14	Number of case districts
< 40%	1
40% – 55%	2
55% – 80%	4
80% – 100%	3

Table A-4. Study districts' geographic distribution

Geographic Area	Number of Case Districts
Northern	3
Central	2
Bay Area	3
Southern	2

²³ Geographic regions include the following counties listed here. Northern: Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Sierra, Shasta, Siskiyou, Tehama, Trinity. Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma. Central: Alpine, Amador, Calaveras, El Dorado, Fresno, Inyo, Kern, Kings, Madera, Mariposa, Merced, Mono, Monterey, Placer, Sacramento, San Benito, San Joaquin, San Luis Obispo, Stanislaus, Sutter, Tulare, Tuolumne, Yolo, Yuba. Southern: Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, Ventura

²⁴ NCES urbanicity designations from 2015–2016 were used in summary tables throughout this appendix. <https://nces.ed.gov/ccd/elsi/expressTables.aspx>

²⁵ A district’s unduplicated student percentage is used to determine the amount of supplemental and concentration funding that the district receives. This term refers to the number of students who qualify as English language learners, foster youth, or low-income students. Students belonging to more than one subgroup are only counted once in the calculation.

Pre-site visit Document Review

Prior to beginning site visits, the researchers reviewed documents related to the LCFF's development, requirements, and early implementation. The team reviewed state level documents, including the LCFF legislation, minutes from State Board of Education meetings at which the LCFF was discussed, the initial LCAP template (including regulations and guidelines), and other relevant state level documents and analyzed 40 Local Control and Accountability Plans (LCAPs to gain an initial understanding of these documents.

In order to prepare for each site visit, the site team reviewed the district's LCAP and other publicly available documents, including: district websites, budgets, strategic plans, stakeholder engagement documents, board meeting minutes, and student outcome data. These sources were used to help researchers understand the local context, tailor interview questions, and triangulate data gathered from interviews.

Site visits

Site visits were conducted over two to three days by two-member research teams. The site team interviewed the superintendent, chief district budget officer, additional district staff, school board members, union or association representatives, and parents. All interviewees were asked about (1) the budget development process before and after the LCFF, (2) parent, community, and educator engagement, (3) supports for completing the LCAP, (4) district priorities and supports for targeted student groups, and (5) their general attitude about the LCFF. As can be seen in Table A-5, a total of

80 interviews of district and COE staff were completed across the 10 sites. The number of interviewees at each site varied based on district size (ranging from just 2 individuals in one rural district to 14 in a large urban district).

Table A-5. Interviews by role type

Interviewee Role	Number of Interviewees
District staff	51
COE staff	9
School board member	6
Union member	7
Parent	7
Community organization	0
Total Interviewees	80

Telephone Interviews with County Office of Education (COE) Officials

The research team conducted 14 telephone interviews with COE officials to supplement the COE site visits that were part of the district case studies. COE officials were asked about their sense of districts' experiences and needs with LCFF implementation as well as how COEs were responding to their new role as LCAP evaluators, including their capacity to support districts in this work. These 20 COEs interviewed represented 458 of the 949 districts in the state.

Data analysis. Once site visits were completed, each team systematically analyzed all interview notes, documents, and other data and produced an in-depth summary using a common protocol. These reports were then distributed to the larger research team to be used for cross-case analysis. All researchers gathered for a two-day analysis meeting to review the cases and determine overarching themes, findings, and create the frame for the

resulting policy report. The data were compiled into a report released in 2014, *Toward a Grand Vision: Early Implementation of California's Local Control Funding Formula*.

YEAR 1 Supplementary Data Collection: Foster Youth and Early Childhood Education

Two additional efforts were undertaken by a subset of LCFRC researchers as supplemental work to the first year report.

Early Childhood Education (ECE) study. With funding from the Heising-Simons and Stuart Foundations, a subset of the LCFRC examined initial LCFF implementation and early childhood education. The study explored two questions: (1) How are districts addressing early childhood education in their LCAPs? and (2) Has the LCFF affected budgeting for early childhood education programs?

In addition to reviewing the interviews and LCAPs from the original Year 1 study districts for evidence of attention to ECE, researchers selected two focus districts for a deeper look. One district was an original LCFRC Year 1 study district. When researchers had paid a two-day visit there in August 2014, they asked questions about the district’s experiences with early implementation of the LCFF and interviewed district officials with direct responsibility for early learning, posing targeted questions about the district’s ECE approach. Data for the second focus district were gathered via telephone interviews in October 2014. Researchers interviewed the superintendent, associate superintendents in charge of business services, human resources, and education services, and a teachers union official, again asking general

questions about early implementation of the LCFF and as well as specific questions about the district’s ECE efforts, with an eye toward understanding what role, if any, the LCFF was playing in ECE programs.

To supplement the information from these case studies, researchers conducted telephone interviews with three ECE experts—two COE officials and a prominent ECE researcher. Table A-6 displays the range of interviewees.

Table A-6. ECE study interview data

Interviewee Role	Number of Interviewees
District staff	12
School board member	1
Union representative	2
Parent	1
Community organization	0
COE staff	5
Other	1
Total Interviewees	22

Collected data were analyzed by the principal researchers on this study and published in a 2014 report, *The Local Control Funding Formula: Staking Out the Ground for Early Learning*.

Foster youth study. This study, commissioned by the National Center for Youth Law (NCYL), was completed on a very tight timeline. Data were collected in January 2015 in anticipation of a March 2015 report release. This study, also conducted by a subset of LCFRC researchers, focused on two questions: (1) How are districts addressing foster youth in their LCAPs?, and (2) Has LCFF affected

budgeting for foster youth programs?

To collect background data, researchers first reviewed published studies of foster youth in California as well as relevant state policies on foster youth. Researchers then made site visits to two school districts and their county offices of education. Sites were selected in consultation with NCYL based on the districts' reputations for maintaining exemplary programs for foster youth. At each of these sites, researchers interviewed key staff responsible for implementing a broad range of foster youth services and at one, site conducted a focus group of foster youth. Researchers asked interviewees about the supports and services available to foster youth and the LCAP processes and outcomes attendant to initial LCFF implementation.

Concomitant with the site visits, researchers conducted telephone interviews in four districts that have significant numbers of foster youth, interviewing district officials and officials in the districts' COEs, as well as representatives of social service agencies that have responsibility for foster youth. Table A-7 illustrates the interviews conducted for this study.

Table A-7. Foster Youth Study Interviews (2015)

Interviewee Role	Number of Interviewees
District staff	10
Social service agency	4
COE staff	10
Student focus group	12
Total Interviewees	36

This study resulted in a 2015 report, *Foster Youth and Early Implementation of the*

Local Control Funding Formula: Not Yet Making the Grade.

Year Two Research

Supported by six California foundations, the Year 2 (2015) LCFFRC study built on results of the Year 1 study. This study was designed to provide insight into what was working well in terms of implementation, and areas that still posed challenges for districts and COEs. Data for this study were collected during September and October of 2015 and focused on these questions:

- How are districts allocating LCFF resources?
- What supports and strategies are districts using for target student populations?
- What is the status of Local Control and Accountability Plans (LCAPs)?
- How is stakeholder engagement being implemented?
- What role are County Offices of Education playing?
- What are the implementation and capacity challenges?
- What are the policy implications of this work?

The research team selected nine districts from across California. As can be seen in Tables A-8 through A-11, the districts were diverse in terms of enrollment, geographic region, urbanicity, and proportion of unduplicated students. As Table A-10 shows, the majority of these districts had high numbers of unduplicated students as researchers were interested in determining how the LCFF was impacting the target student populations (English learners, foster youth, and low-income).

Table A-8. Study districts’ enrollment

Enrollment 2014–15	Number of case districts
< 4000	2
4,000 – 10,000	1
10,000 – 40,000	4
40,000 – 100,000	2
> 100,000	0

Table A-9. Study districts’ unduplicated pupil percentage

Percentage of unduplicated pupils 2014–15	Number of case districts
< 40%	1
40% – 55%	1
55% – 80%	2
80% – 100%	5

Table A-10. Study districts’ urbanicity

Urbanicity	Number of Case Districts
Rural	1
Town	1
Suburb	2
City	5

Table A-11. Study districts’ geographic distribution

Geographic Area	Number of Case Districts
Northern	1
Central	2
Bay Area	2
Southern	4

Pre-site visit Document Review

Prior to conducting case study site visits, researchers examined 35 LCAPs using a protocol in which researchers recorded district characteristics, key stakeholder engagement strategies, an overview of the district’s goals and metrics, key strategies targeted to English learners, low-income students, and foster youth, and district justification of supplemental and concentration grant allocation. In addition to LCAPs, documents reviewed included district websites, budgets, strategic plans, stakeholder engagement documents, board meeting minutes, union contracts, student outcome data, and other district-specific documents. These documents were used to help researchers get a sense of each district.

Site visits

As in the first round of data collection, site visits were conducted over two or three days by two-member research teams. In each district, the site team interviewed the superintendent, individual(s) responsible for the district budget, additional central office staff (including, when applicable, those in charge of curriculum and instruction, student services, English learners, foster youth, state and federal programs, and special education), school board members, union or association representatives, representatives of community organizations, advisory group members, and parents. As can be seen in Table A-12, a total of 132 interviews of district and COE staff were conducted across the nine sites.

Table A-12. Interviews by respondent type

Interviewee Role	Number of Interviewees
District staff	70
COE staff	15
School board member	7
Union member	22
Parent	12
Community organization	6
Total interviewees	132

Researchers conducted semi-structured interviews using specific protocols developed for different role types. In general, central office interviewees were asked about their perspectives on the purpose of the LCAP, district LCAP development, supports available to assist the district in the LCAP process, stakeholder engagement activities and strategies, the use of metrics and data systems, use of general funding and funding to support targeted groups, district capacity to support LCFF implementation, and overall views of the LCFF. Budget officials were asked more detailed questions about budget flexibility and reporting; questions to parents and community stakeholders were more targeted to engagement and evidence of supports for students; school board members were asked about their role in developing and approving the LCAP.

Interviews with County Office of Education (COE) Officials

In addition to site visits, researchers conducted 19 telephone interviews with COE officials in addition to the eight COE interviews conducted as part of the case study site visits. COE officials were asked about their perspectives on the purpose of the LCAP and how districts approached the task of completing the document as well as trends across their districts, including attempts to meaningfully engage stakeholders, access to and use of data systems, budgeting processes, approaches to serving targeted student groups, and district capacity for improvement, as well as their agency’s capacity to oversee districts (costs involved, personnel needed, and supports).

Data analysis. Upon completion of site visits, each team systematically analyzed all interview notes, documents, and other data and produced an in-depth summary using a common debrief guide. These reports were then distributed to the larger research team to be used for cross-case analysis. All researchers gathered for a two-day analysis meeting to review the cases and determine overarching themes, findings, and create the frame for the resulting policy report. The data were compiled into a PACE report, released in December 2015, *Two Years of California’s Local Control Funding Formula: Time to Reaffirm the Grand Vision*.

Year Three Research

Based on findings from the first two years of research, Year 3 LCFFRC data collection delved more deeply into some key areas that continued to represent challenges for both district

officials and policymakers. Data were collected between September and November of 2016 and focused on these questions:

- What is the extent of meaningful stakeholder engagement in LCFF?
- How is LCFF advancing or challenging CCSS implementation?
- How are resources allocated, particularly as they relate to targeted student groups?
- To what extent do LCFF planning and implementation activities reflect and advance equity and coherence?

The research team collected data in eight school systems (seven districts and one Charter Management Organization). Researchers selected for diversity of enrollment, geographic region, urbanicity, and proportions of unduplicated students.

Table A-13. Study districts’ enrollment

Enrollment 2015–16	Number of case districts
<4000	4
4,000 – 10,000	0
10,000 – 40,000	2
40,000 – 100,000	2
>100,000	0

Table A-14. Study districts’ unduplicated pupil percentage

Percentage of unduplicated pupils 2015–16	Number of case districts
< 40%	0
40% – 55%	1
55% – 80%	2
80% – 100%	5

Table A-15. Study districts’ urbanicity

Urbanicity	Number of Case Districts
Rural	2
Town	0
Suburb	2
City	4

Table A-16. Study districts’ geographic distribution

Geographic Area	Number of Case Districts
Northern	1
Central	2
Bay Area	2
Southern	3

Pre-site Visit Document Review

In preparation for site visits, each site visit team reviewed the district’s 2016–2017 LCAP, district websites, budgets, strategic plans, stakeholder engagement documents, board meeting minutes, union contracts, student outcome data, and other district-specific documents to gain an understanding of local context.

Site visits

As in the previous years, site visits were conducted over two or three days by two-member research teams. In each district, the site team interviewed the superintendent, the individual(s) responsible for the district budget, additional central office staff (including, when applicable, those in charge of curriculum and instruction, student services, English learners, foster youth, state and federal programs, and special education), school board members, union or association representatives, representatives of community organizations, advisory group members, and parents. As can be seen in Table 17, 151 interviews were conducted across the eight sites.

Table A-17. Interview summary by respondent type

Interviewee Role	Number of Interviewees
District staff	68
School board member	12
Principal	19
Teacher	9
Union member	13
Parent	22
Community organization	8
Total interviewees	151

Again, researchers conducted semi-structured interviews using specific protocols developed for different role types. All interviewees were asked about their perceptions of their district’s goals, the main strategies to achieve those goals, as well as major challenges facing the district. In addition, interviewees were asked about the district’s LCAP planning process, stakeholder engagement strategies, resource allocation, and how the district LCAP addresses equity. Budget officials were asked more detailed questions about resource allocation, the categories of funds represented in the LCAP, fiscal flexibility, and budget transparency. Individuals more closely involved in instruction (e.g., Curriculum and Instruction Directors, principals, teachers) were asked about how Common Core implementation was unfolding in the district and the relationship between the LCAP and Common Core implementation. Questions to advisory board members, parents, and community stakeholders were more targeted to engagement and evidence of supports for students. Board members were asked about their role in the development and approval of the LCAP.

Data analysis. The same process for data analysis used in years 1 and 2 was also used in year 3. Upon completion of site visits, each team systematically analyzed all interview notes, documents, and other data and produced an in-depth summary using a common debrief guide. These reports were then distributed to the larger research team to be used for cross-case analysis. All researchers gathered for a two-day analysis meeting to review the cases and determine overarching themes, findings, and create the frame for the resulting policy report. The data formed the basis for the policy report, *Paving The Way To Equity And Coherence? The Local Control Funding Formula In Year 3*, released in April 2017.

Year Four Research

Building from findings of the Year 3 study, the LCFFRC made the decision to identify and document the work of school districts whose implementation efforts in three specific areas were reputed to be noteworthy: (1) meaningfully engaging stakeholders in the Local Control Accountability Plan (LCAP) development; (2) taking an innovative approach to resource allocation; and, (3) advancing implementation of the California State Standards (CCSS).

Research questions varied according to research site and topic:

Resource Allocation
1. How are decisions about resource allocation made at the local level?
2. To what extent are schools receiving additional resources and what authority do they have to make decisions about how these dollars are spent?
3. How are new resource allocation decisions impacting district and school level programs, policies, and operations?
4. Are appropriate resources reaching the target student groups?
Stakeholder Engagement
1. What is the extent of meaningful community engagement in the LCAP development process?
2. Are there exemplary practices that advance meaningful community engagement?
3. What roles are specific groups, such as school boards, teacher unions, and community-based organizations, playing in LCAP development?
4. To what extent are districts producing coherent and strategic improvement plans in their LCAPs?
Common Core Implementation
1. How is implementation of the state standards in AUHSD integrated into LCFF implementation and how do stakeholders perceive the relationship between standards, LCAP goals, planned activities, and data use?
2. In what ways are LCAP community engagement activities in the district engaging/educating parents and community members about standards implementation for all students (and particularly for LCFF targeted students)?
3. How is the district allocating funds in their LCAP to support standards implementation?

To identify potential sites researchers used a version of snowball sampling. The research team asked the LCFFRC Advisory Board members²⁶ for recommendations. The research team recorded all recommendations and then narrowed the list to sites that were nominated by more than one source and rank-ordered them. Senior researchers then conducted brief interviews with district leaders from each nominated site, reviewed district documents, and, based on final review, settled on the three focal case study sites, all of which agreed to be named: (1) Palmdale School District (innovative stakeholder engagement approach), (2) San Mateo-Foster City School District (innovative approach to resource allocation decision-making), and (3) Anaheim Union High School (comprehensive efforts to integrate standards implementation into the LCAP process).

Once the three districts were identified, small subgroups of LCFFRC researchers reviewed a variety of district-produced documents, including the district’s LCAP, strategic plan, budget, and outcome data, and then conducted a two-day site visit to the district, interviewing district officials, principals, union representatives, school board members, community members, and other site-specific representatives. Across the three districts, researchers conducted 46 interviews and focus groups with 95 individuals. See Table A-18 for a breakdown of interviews.

Table A-18. Interviews by respondent type

Interviewee Type	San Mateo-Foster City Elementary (Resource Allocation)	Palmdale Elementary (Stakeholder Engagement)	Anaheim Union High School (Common Core Implementation)	Total Number of Interviewees
District staff	5	8	26*	39
School board member	1	2*	1	1
Principal	4	4*	5	13
Teacher/TOSA	0	3*	4	7
Union representative	2	3	1	6
Parent	3	3*	14*	20
Community organization	0	0	4	4
Consultant	0	2	0	2
Total Interviewees	15	25	55	95
Total Number of Interviews	15	17	14	46

*Some of these interviews took place in a focus group setting.

²⁶ Christopher Edley, Jr., Jeff Freitas, Patricia Gandara, Julie Maxwell-Jolly, Jane Robb, Jorge Ruiz-de-Velasco, Sujie Shin, Ryan Smith, and Edgar Zazueta.

Researchers used semi-structured interview protocols tailored to each district. Interviewees were asked generally about the district's LCAP planning process and perceptions of LCFF overall. Depending on the focus of the site visit, individuals were then asked more detailed questions about resource allocation, Common Core implementation, or stakeholder engagement strategies.

Data analysis. Upon completion of site visits, each team systematically analyzed all interview notes, documents, and other data and produced site-specific report. These reports were then distributed to the larger research team to be used for cross-case analysis. Senior researchers reviewed the cases and determine overarching themes, findings, and created the frame for the resulting policy report. The resulting policy brief, *How Stakeholder Engagement Fuels Improvement in Three California School Districts*, was released in February 2018.

Statewide Superintendent Survey

The Local Control Funding Formula (LCFF) Survey of Superintendents was conducted online and by telephone by Fluent Research of New York City on behalf of the LCFF Research Collaborative between September 14, 2017 – March 8, 2018 among a stratified random sample of California public school superintendents. Qualified respondents included both superintendents and other district administrators who have a role in making decisions about the implementation of LCFF in their district and have served in their position in their district at least two years or were in their first year and were familiar with the implementation of LCFF policy in their current school district during the 2016–2017 school year. Sample balancing was applied to ensure results were representative of public school districts in California. A fifty percent (50%) return rate of completed responses was received.