**LCFF / Summary (SB 91 and AB 97)**

Replaces the existing revenue limit and categorical funding structure with the Local Control Funding Formula (LCFF), beginning in the 2013-14 fiscal year. The formula is comprised of a base grant, supplemental grant and concentration grant for school districts, charter schools and county offices of education. Requires the State Board of Education (SBE) to adopt regulations governing the expenditure of supplemental and concentration grant funds. Includes an "Economic Recovery Target" with the goal of restoring districts back to their 2007-08 funding levels.

**District Formula Summary**

Local Control Funding Formula (LCFF) for school districts, charter schools, and county offices of education (COEs).

**Target base grant amounts via ADA**, adjusted by grade level as follows:

* Grades kindergarten through 3: $6,845
* Grades 4 to 6: $6,947
* Grades 7 and 8: $7,154
* Grades 9 to 12: $8,289

**Eight-year phase-in timeline**, as specified, to incrementally close the gap between actual funding and the target level of funding.

**Supplemental grant equal to 20%** **of the base grant** for every pupil identified as either an English learner (EL), eligible for a free or reduced price meal (FRPM), or in foster care; and use an "unduplicated count" meaning that pupils who fall into more than one category are counted only once.

**Concentration grant equal to 50% of the base grant** for every unduplicated pupil above the threshold of 55% of enrollment.

**Pupil-to-teacher ratio in grades K-3 must be no more than 24 to 1**, when the formula is fully implemented, unless a higher ratio is negotiated through collective bargaining, and require a gradual reduction to the 24 to 1 ratio during the phase-in period.

**Caps funding for Home-to-School transportation funding (HTS)** and the **Targeted Instructional Improvement Program (TIIG) at their 2012-13 levels** and continues to provide this funding to school districts currently receiving it in addition to their Local Control Funding Formula (LCFF) base grant.

* HTS funds must be spent for purposes of pupil transportation.

**Maintains funding and program requirements** for the following categorical programs:

* Special education;
* After School Education and Safety Program;
* State Preschool;
* Quality Education Investment Act;
* Assessments;
* American Indian Education Centers;
* Early Childhood Education Programs;
* Partnership Academies;
* Agricultural Vocational Education;
* Specialized Secondary Programs;
* Foster Youth Services Programs; and
* Adults in Correctional Facilities.

In 2013-14 and 2014-15, **Occupational Centers/Programs** and **Adult Education funds** must be spent at the same level as in 2012-13.

**Hold harmless provision** to maintain total revenue limit and categorical program funding for each district and charter school at its 2012-13 level, unadjusted for changes in ADA or cost-of-living adjustments (COLA).

Repeals the requirement that districts receiving state general obligation bond funding for facilities set aside 3% of the general fund expenditures in a routine maintenance account.

**School District and COE Accountability**

**Local Control and Accountability Plan (LCAP)**

On or before **July 1, 2014**, school districts and COEs (with annual updates beginning in 2015) must to adopt a local control and accountability plan (LCAP) using a template adopted by the SBE. The LCAP must be effective for three years.

LCAP to include annual goals for pupils (each subgroup of pupils) to be achieved for state and priorities and the specific actions the school district, or COE will take during each year of the plan to achieve specified goals.

**State priorities** required to be included in the LCAP:

* Priorities related to the Williams v. State of California settlement agreement (2004) - fully credentialed teachers, instructional materials, and school facilities.
* Implementation of the academic and performance standards, including English language development standards (ELD).
* Parental involvement.
* Pupil achievement, as measured by statewide assessments, the Academic Performance Index (API), percentage of pupils meeting A-G graduation requirements, percentage of ELs making progress toward English proficiency, the EL reclassification rate, the percentage of pupils who have passed the advanced placement exams, and the percentage of pupils demonstrating college preparedness.
* Pupil engagement, as measured by attendance, dropout and graduation rates, and pupil expulsions/suspensions.
* School climate as measured by suspensions/expulsion rates, and other local measures.
* The extent in which pupils (including ELs and special needs) have access and are enrolled in a broad course of study.
* Pupil outcomes, if available, for non-state assessed courses of study in grades 1-12 (e.g., other history-social science, visual performing arts, physical education, etc.). COEs are required to include outcomes specific to pupils in alternative programs.

Annual update of the LCAP must include a **listing and description of the expenditures** in the fiscal year implementing the specific information included in the LCAP.

The superintendent of the school district and COE must present the LCAP, prior to its adoption, to the **public and parent advisory committees** (including the EL parent advisory committee) for review and comment and requires the superintendent to respond in writing to these comments, as specified and review the schoolsite plans for student achievement required under current law, ensuring the LCAP in consistent with the schoolsite plans, as specified.

School district and COE required to establish a **parent advisory committee**, including one specific to EL parents.

**COE’s Role**

School district must file its LCAP with the COE. COE to review and submit recommendations to the district and adopt the LCAP. This process includes provisions for the COE to ensure the LCAP adheres to the SBE template and includes "expenditures sufficient to implement the specific actions and strategies included in the LCAP."

The COE or SPI, if it does not approve a school district or COE's LCAP or if the district/COE requests technical assistance, required to provide the assistance to the district/COE, including any of the following:

* To assist in identifying strengths and weaknesses with regard to the state priorities, as specified.
* Assignment of an academic expert or team of academic experts to assist in identifying and implementing effective programs that are designed to improve outcomes for pupil subgroups, as specified.
* The assignment of the CCEE to provide advice and assistance to the school district/COE, as specified.

**SPI’s Role**

SPI authorized to identify school districts and COEs in need of intervention and require the SPI to only intervene in districts and COEs that meet both of the following criteria:

* The school district or COE did not improve outcomes for three or more pupil subgroups in regard to more than one state or local priority in three out of four consecutive school years.
* The CCEE has provided advice and assistance to the district or COE and submits findings to the SPI.

The SPI authorized, for districts and COEs in need of intervention and with SBE approval, to do one or more of the following:

* Make changes to the district or COE's LCAP.
* Develop and impose a budget revision the SPI determines would allow the district or COE to improve the outcomes for all pupil subgroups in regard to state and local priorities.
* Stay or rescind an action, if that action is not required by a local collective bargaining agreement that would prevent the district or COE from improving outcomes for all pupil subgroups in regard to state and local priorities.
* Appoint an academic trustee to exercise the powers and authority specified in this measure on behalf of the SPI.

**California Collaborative for Educational Excellence (CCEE)**

California Collaborative for Educational Excellence (CCEE) established to advise and assist school districts, COEs, and charter schools in achieving its goals established in its LCAP or charter petition. SPI required to contract with individuals, local education agencies (LEAs), or organizations with expertise, experience, and a record of success to carry out the CCEE's mission of providing technical assistance to LEAs and charter schools, as specified.

**SBE’s Role**

By **January 31, 2014**, SBE required to adopt **regulations governing the expenditure of supplemental grant funds, including concentration grant funds**. Require the regulations to:

* Require a school district, COE, or charter school "to increase or improve services for unduplicated pupils in proportion to its increase in funds apportioned on the basis of the number and concentration of unduplicated pupils in the district, COE, or charter school"; and
* Create authorization for the use of funds for schoolwide or districtwide purposes in a manner that is no more restrictive than federal No Child Left Behind Act of 2001 Title I funds (poor and needy pupils).

By **March 31, 2014**, SBE required to establish **LCAP templates** for use by school districts, COEs, and charter schools to complete the LCAP.

By **October 1, 2015**, SBE required to adopt **evaluation rubrics**.

**OTHER**

School districts, COEs, and charter schools required to establish local policies and procedures to implement a complaint process in accordance with the current Uniform Complaint process.

The SBE or the SPI prohibited from waiving any part of the Local Control and Accountability Plans.

Department of Education and Department of Social Services required to enter into a memorandum of understanding to share disaggregated information on foster youth so that districts, charter schools and county offices of education can identify pupils in foster care.

**FISCAL EFFECT**

Appropriates $2.1 billion from the General Fund for the following purposes:

1. $2.067 billion to the SPI for allocation to school districts and charter schools for first year implementation of the LCFF; and
2. $32 million to the SPI for allocation to COEs for the County Local Control Funding Formula, as specified.

The budget bill also provides $10 million for CCEE activities and $2 million to the Governor's Office of Planning and Research in order for the SBE to develop and adopt regulations, as specified, develop and adopt evaluation rubrics, and develop and adopt LCAP templates.