

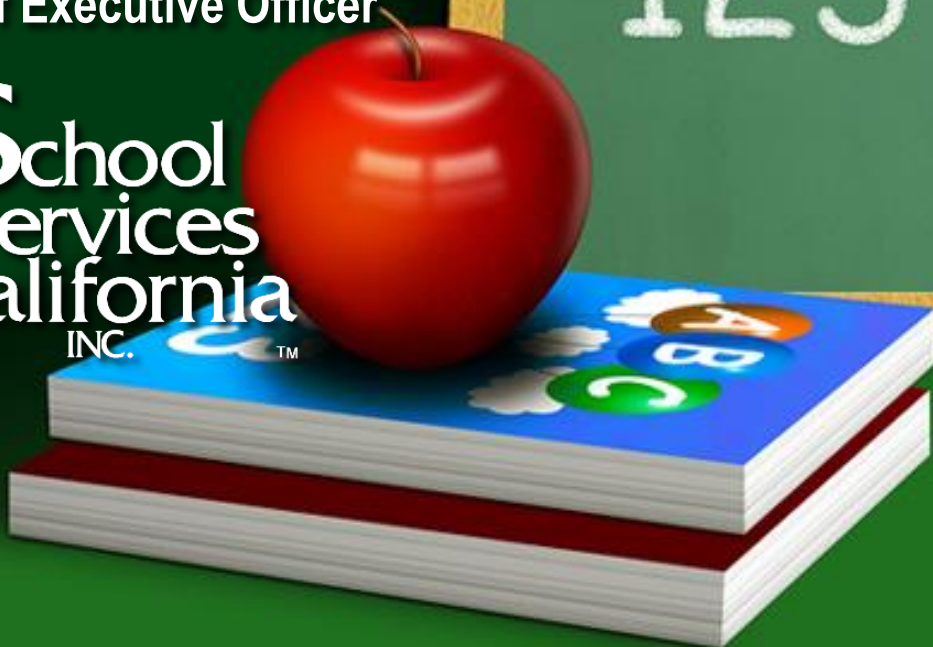
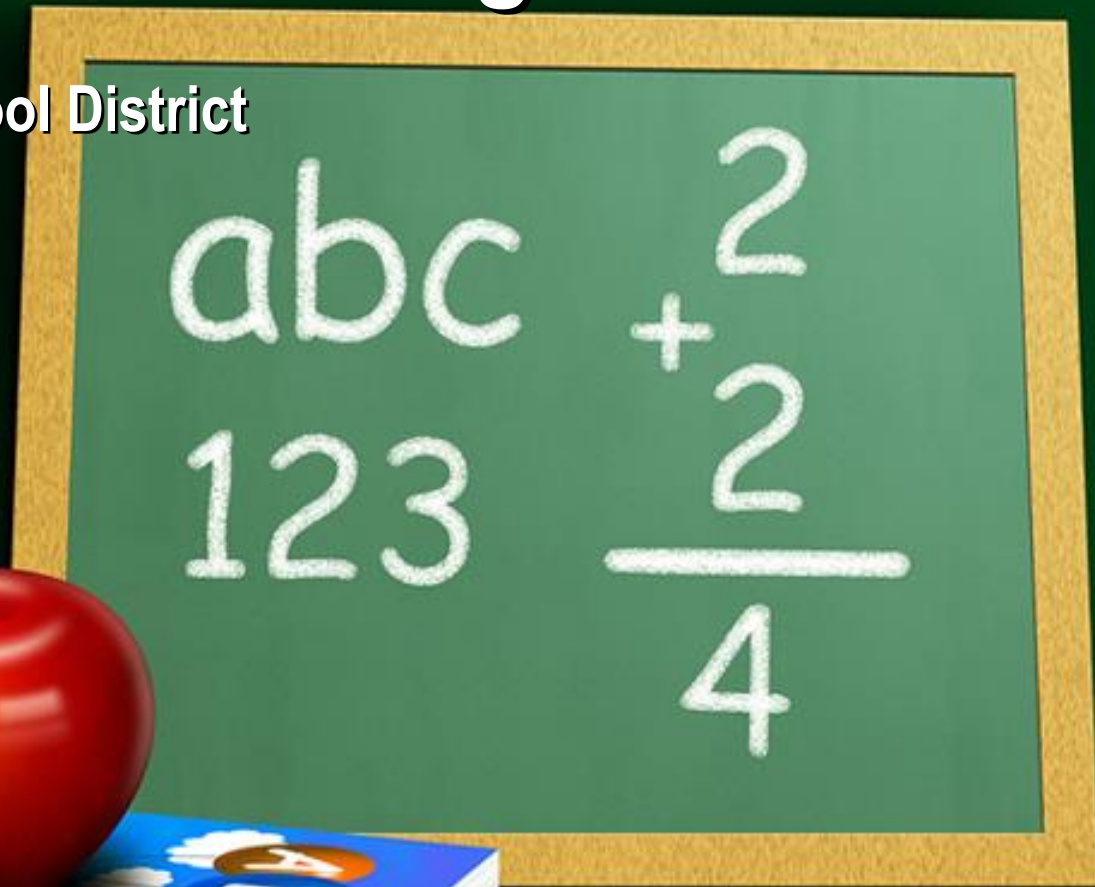
Local Control Funding Formula

Oakland Unified School District
September 11, 2013

Presented by

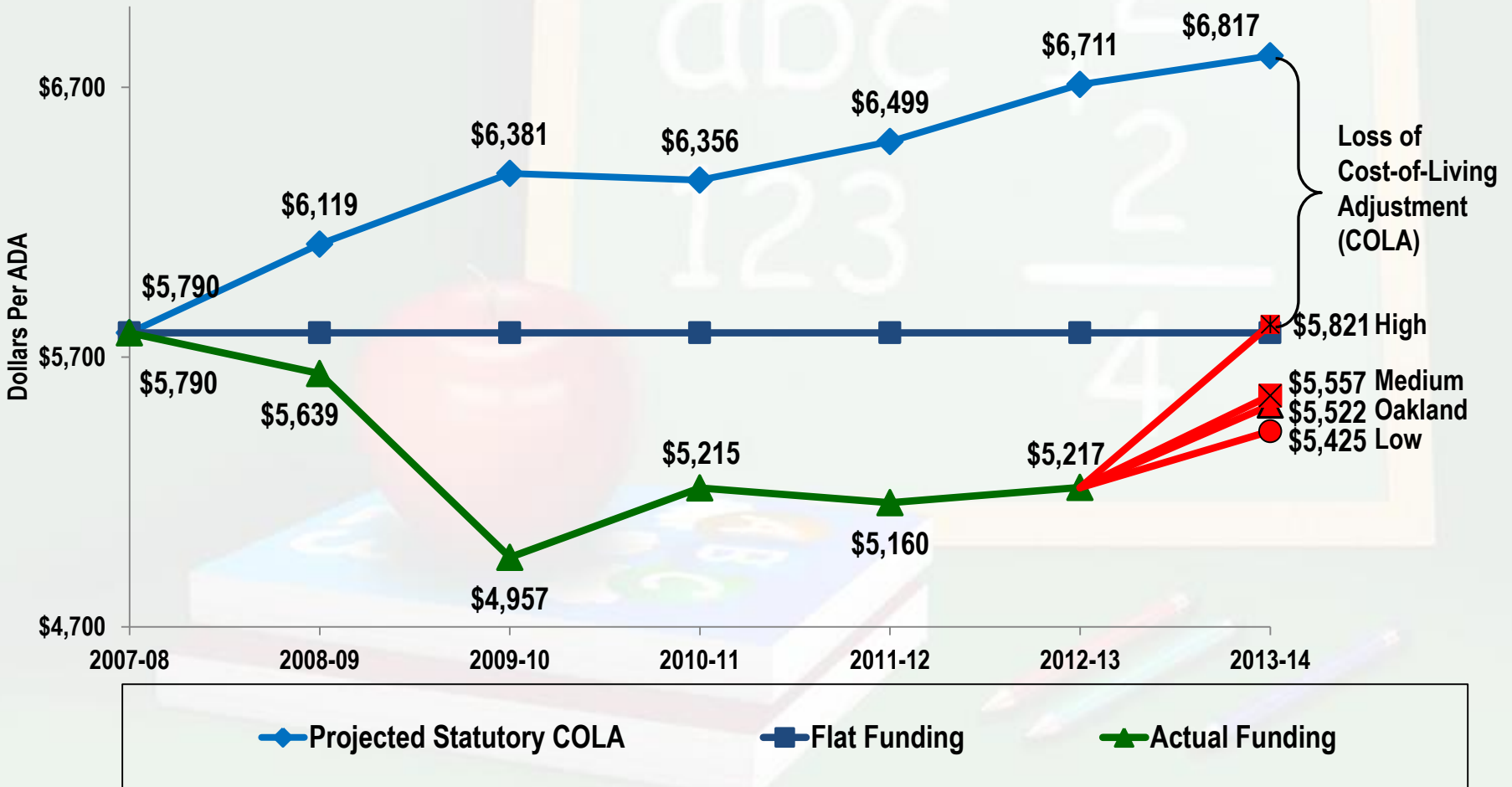
Ron Bennett
Chief Executive Officer

School
Services
of California
INC.™



Funding Per Average Daily Attendance (ADA) – Actual vs. Prior Statutory Level

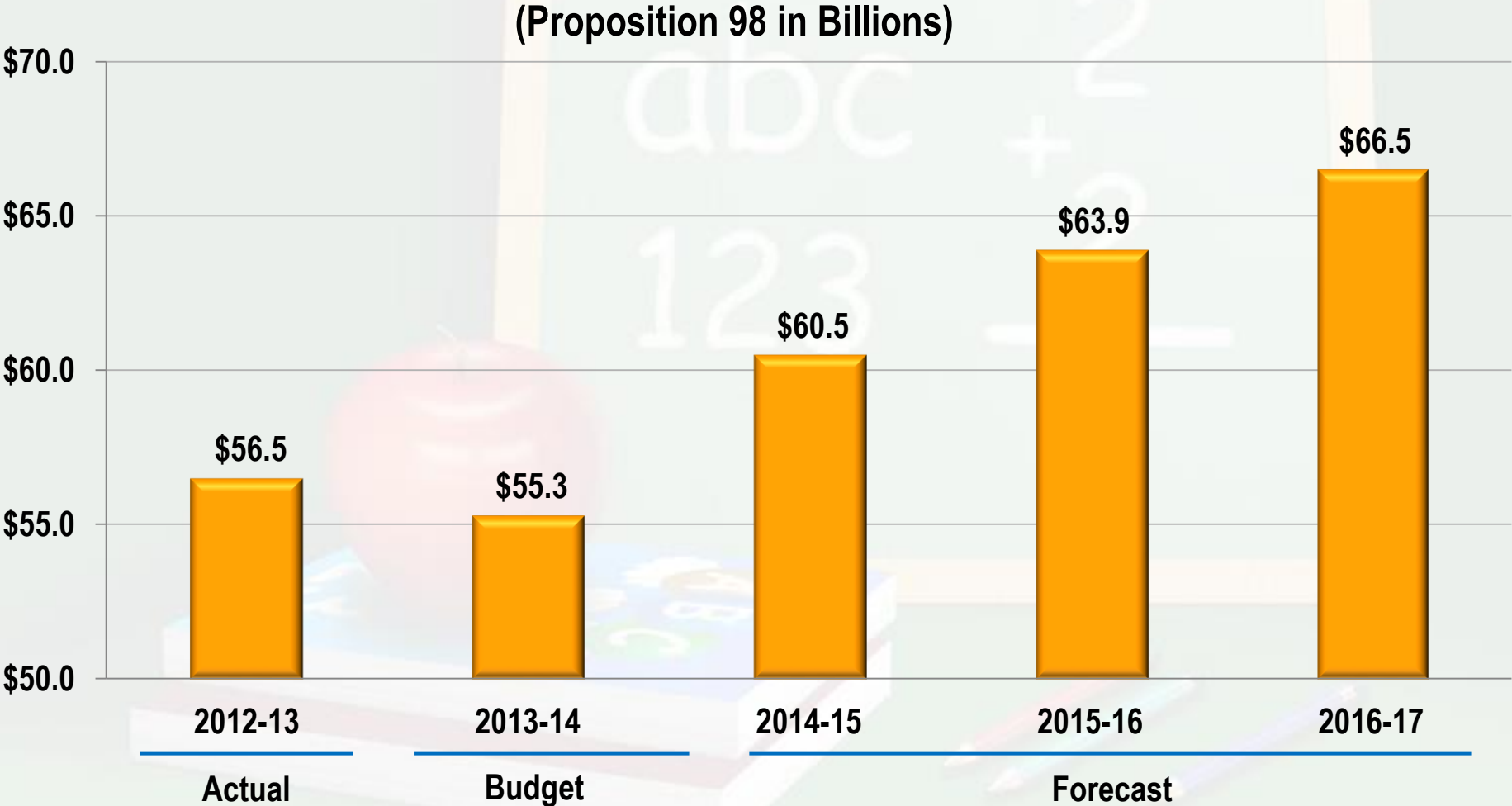
Oakland Unified School District



Proposition 30 – The Schools and Local Public Safety Protection Act of 2012

- **Proposition 30, the Schools and Local Public Protection Act is sponsored by Governor Jerry Brown**
- **Education organizations that supported the measure include: California Teachers' Association, California Federation of Teachers, California School Boards Association, and Association of California School Administrators**
- **Temporarily increases the state sales tax and personal income tax for high-income earners**
 - **Sales tax increase of 0.25% would expire in 2016**
 - **Personal income tax increase would expire in 2018**
- **Generates \$6.8 billion to \$8.5 billion in 2012-13 and \$5.4 billion to \$7.6 billion each year thereafter**
- **Revenues from tax increases would fund the Education Protection Account, which would offset state aid toward school district funding**
- **Would also make permanent the sales tax shift to fund county government realignment**

Proposition 98 Forecast



LCFF – Supplemental and Concentration Grants Per ADA

● 2013-14 target entitlement calculation

- Supplemental and concentration grant increases are calculated based on the percentage of total enrollment accounted for by English learners, free and reduced-price meal program eligible students, and foster youth

Factors	K-3	4-6	7-8	9-12
Adjusted grant per ADA	\$7,675	\$7,056	\$7,266	\$8,638
20% supplemental grant	\$1,535	\$1,411	\$1,453	\$1,728
50% concentration grant (for eligible students exceeding 55% of enrollment)	\$3,838	\$3,528	\$3,633	\$4,319

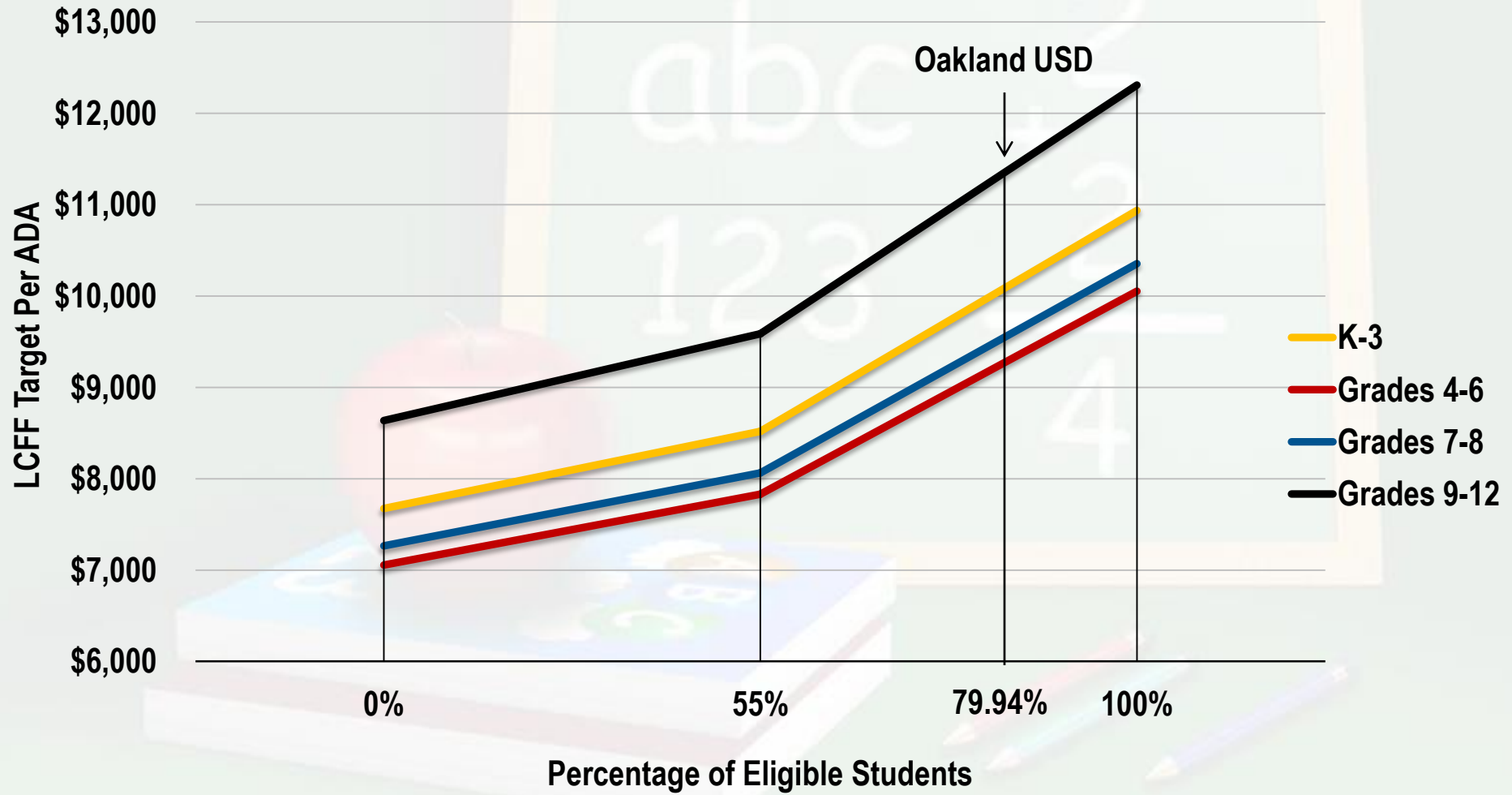
LCFF – Minimum and Maximum Target Grants Per ADA

- 2013-14 target entitlement calculation

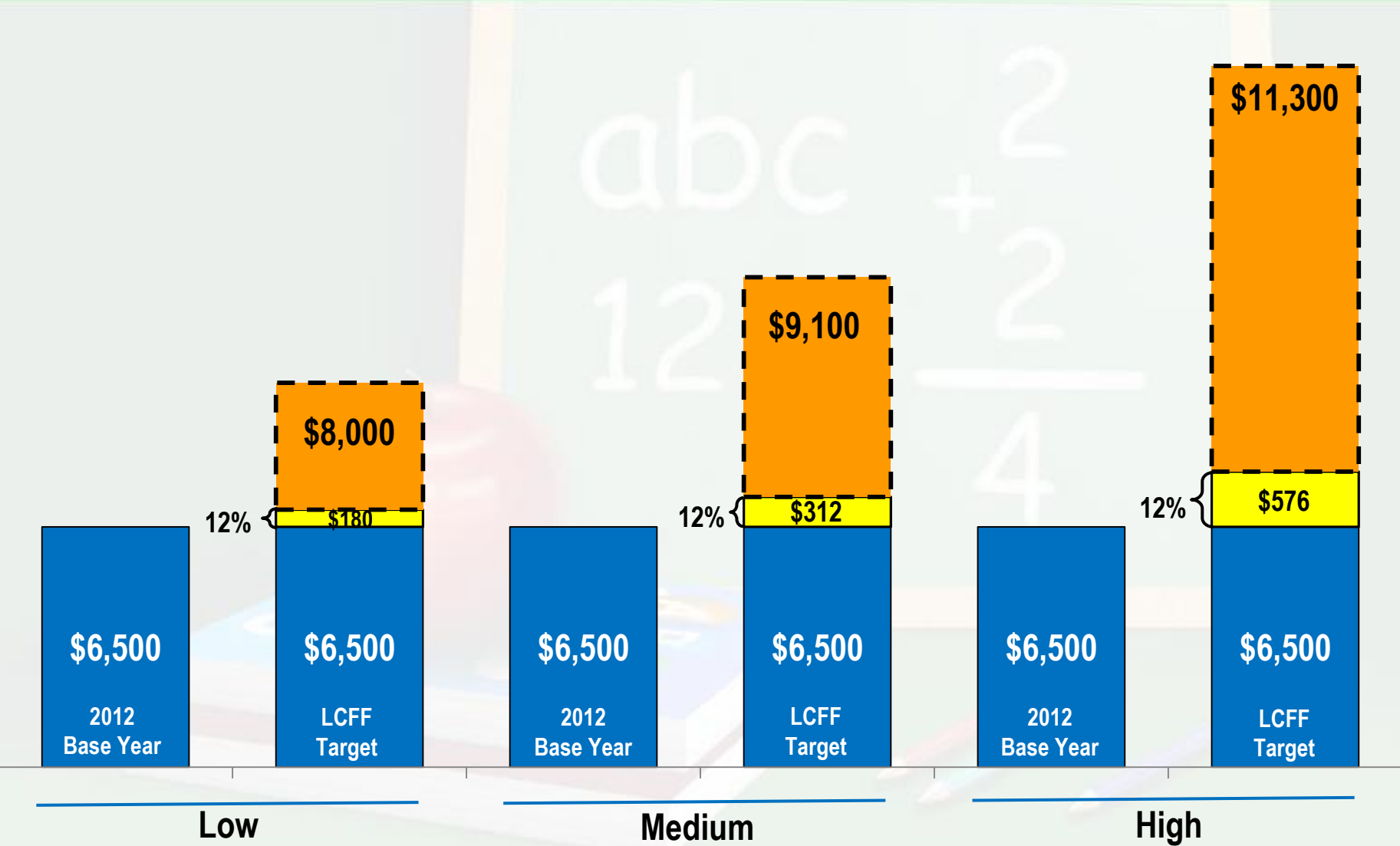
- Grant amounts vary from a minimum based on no students eligible for supplemental and concentration grants to 100% of student enrollment qualifying

Factors	K-3	4-6	7-8	9-12
Minimum grant per ADA	\$7,675	\$7,056	\$7,266	\$8,638
Maximum grant per ADA	\$10,937	\$10,055	\$10,354	\$12,310
Difference (\$)	\$3,262	\$2,999	\$3,088	\$3,672
Difference (%)	42.5%	42.5%	42.5%	42.5%

Grade Span Grants Per ADA

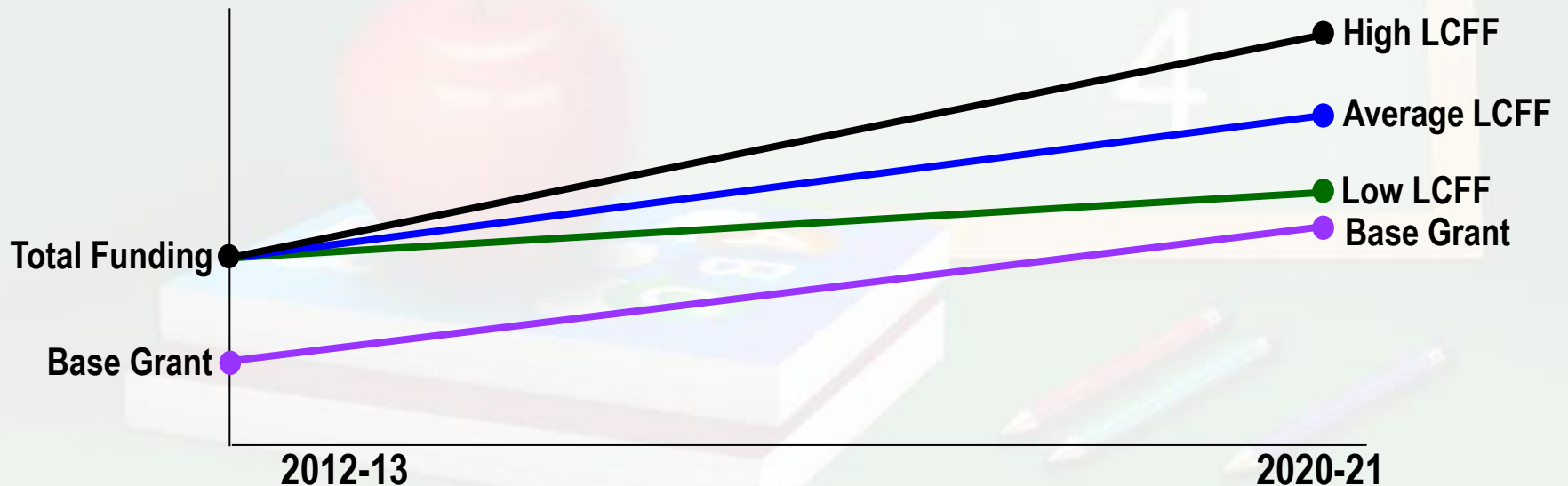


2013-14 Growth Toward Target



High LCFF Districts Are Particularly Vulnerable

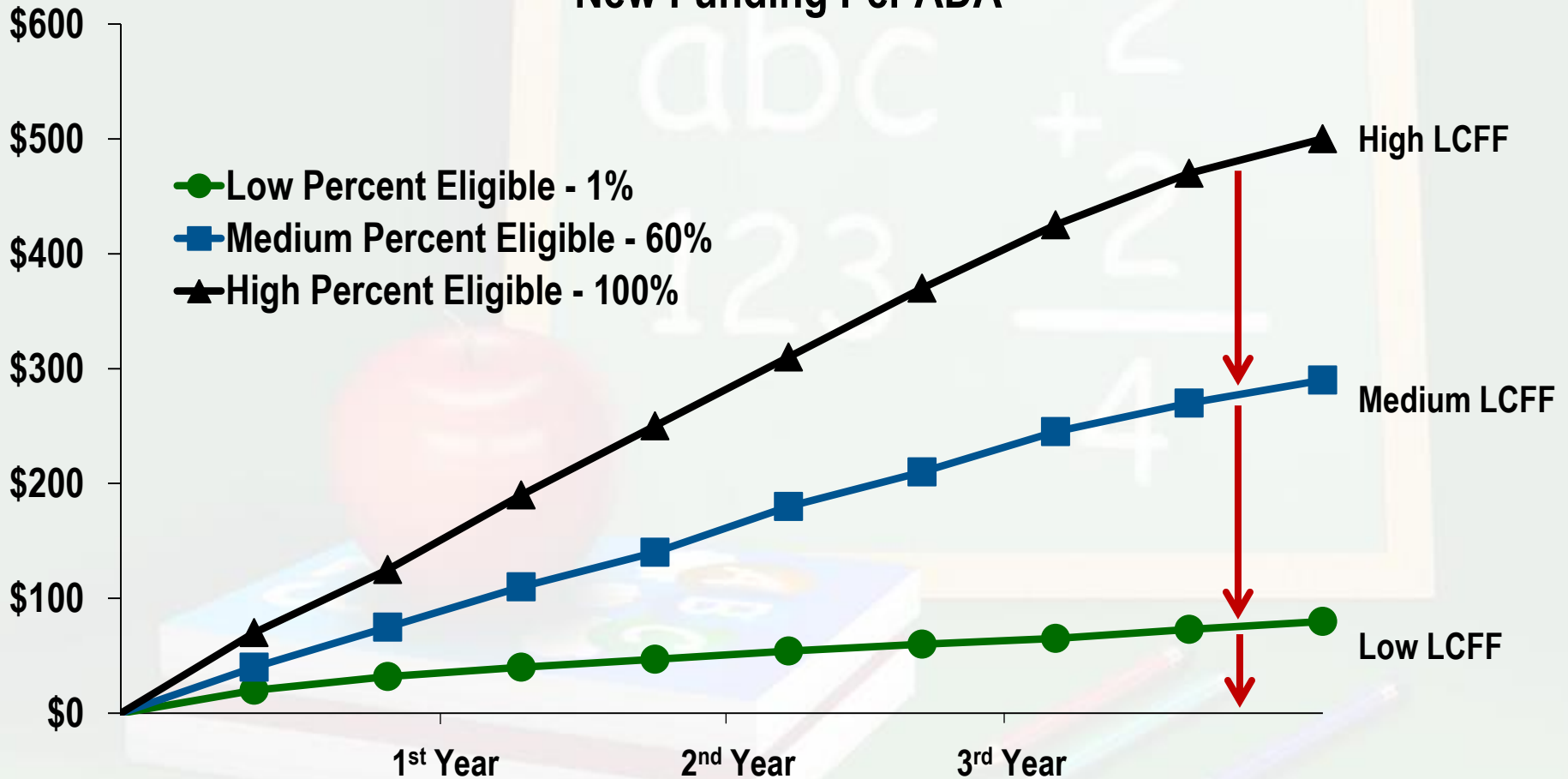
- Because of the variability in rates of increase, a district with a high number of students who qualify for supplementary funding will be especially vulnerable
 - The district that has few LCFF supplementary dollars will plan to get nearly nothing, and if it gets nothing, its planning is still close
 - But the district that has high supplemental and concentration grants will plan for much higher increases, and in a bad year has much further to fall



- It is important to remember that Proposition 98 establishes the minimum funding level for K-14 education
 - The Legislature and the Governor decide on an annual basis at what level to fund the various education programs
 - In most cases, state statutes specify districts' entitlements to state funding based on the delivery of educational services
- The LCFF is the model by which state funds are allocated to school districts, charter schools, and county offices of education (COEs)
 - Unlike revenue limits and Tier III categorical programs, there are no state statutes that specify an annual appropriation to support the LCFF
 - This makes multiyear planning very difficult
 - A district's annual LCFF entitlement will be determined by "any available appropriations" (Education Code Section 42238.03[b][3])

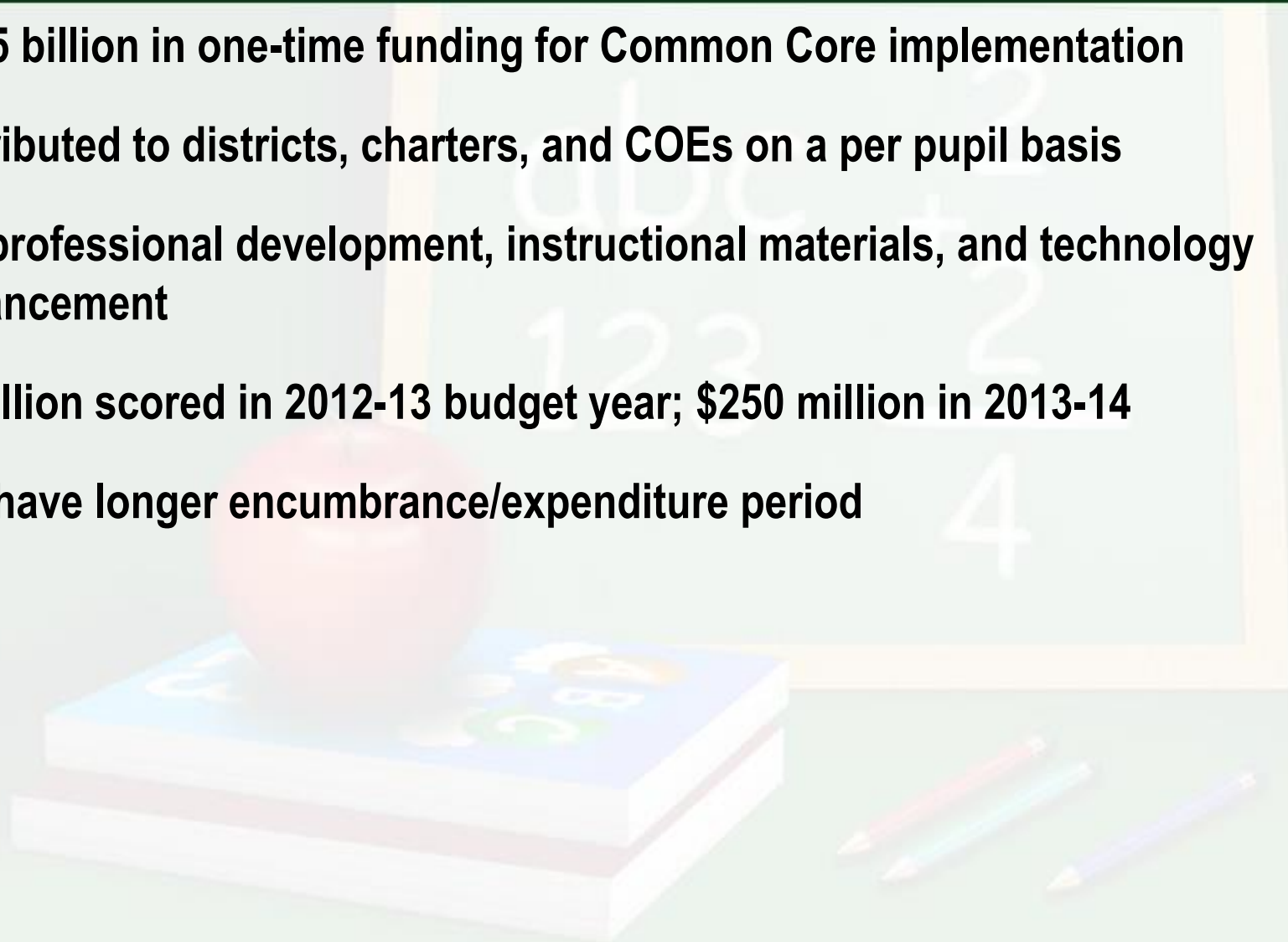
Differential Risks – An Example

New Funding Per ADA



Funding for Common Core

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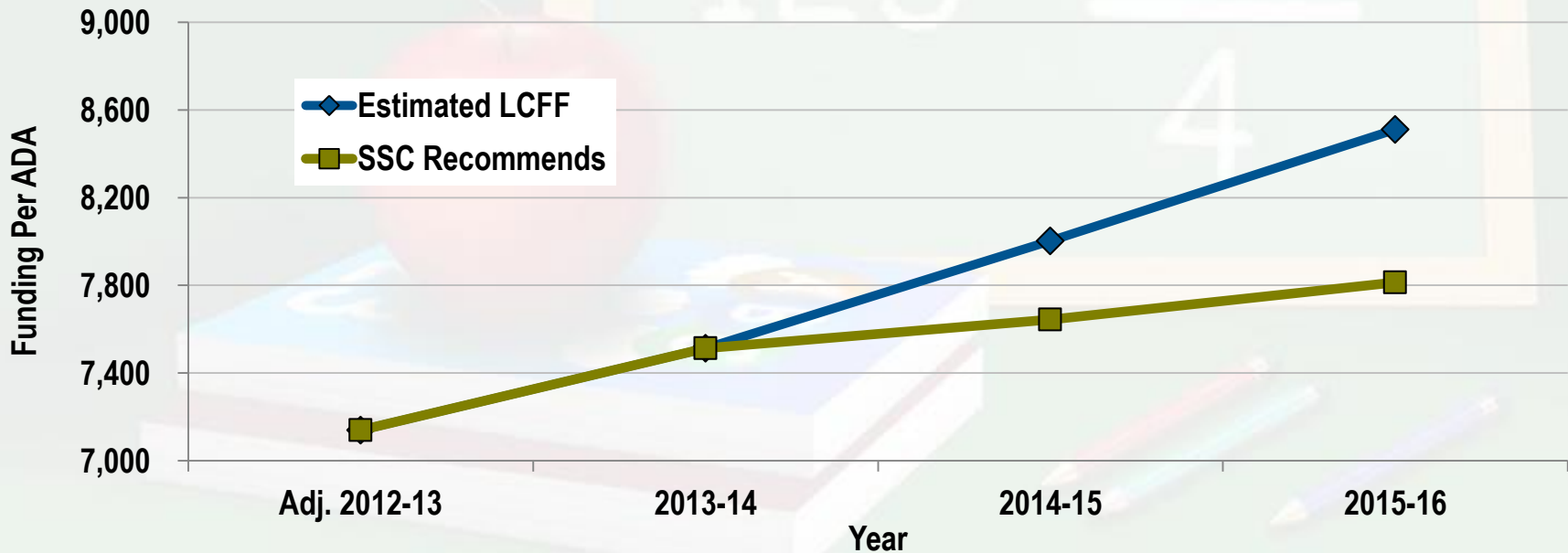
- **\$1.25 billion in one-time funding for Common Core implementation**
 - **Distributed to districts, charters, and COEs on a per pupil basis**
 - **For professional development, instructional materials, and technology enhancement**
 - **\$1 billion scored in 2012-13 budget year; \$250 million in 2013-14**
 - **Will have longer encumbrance/expenditure period**
- 
- A faint background illustration of a classroom scene. It features a chalkboard with the letters 'abc' and numbers '123' and '4' written on it. In the foreground, there is a stack of three books, with the top one being blue and having some colorful patterns. To the right of the books, there are three colored pencils: one red, one green, and one purple.

- **The State Budget provides approximately \$200 per student in one-time funds to implement the Common Core State Standards**
 - **Funding is restricted in nature**
 - **Cash is apportioned in August 2013 (50%) and October 2013 (50%)**
 - **Local educational agencies (LEAs) can encumber funds any time during the 2013-14 and 2014-15 school years**
 - **Remember: this is one-time money**
 - **Don't spend one-time money on things that eat!**



What does the future look like for Oakland USD?

Multiyear Projection Analysis				
	Adjusted 2012-13	2013-14	2014-15	2015-16
Estimated LCFF Funding	7,140	7,513	8,003	8,511
SSC Recommends	7,140	7,513	7,644	7,813
Net Change Per ADA		373	131	169
Net Percent Change		5.23%	1.74%	2.21%



- **By January 31, 2014, the State Board of Education (SBE) must adopt regulations governing the expenditure of supplemental and concentration grants**
 - **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”**
 - **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)**
- **Each LEA, by July 1, 2014, must adopt (over two public hearings) a Local Control Accountability Plan (LCAP) based on a template adopted by the SBE**

- **The LCAP describes goals, as well as actions to be taken to achieve those goals, related to specified state priorities for all students and for subgroups**
- **The LCAP must be linked to the LEA budget and updated annually**
- **New California Collaborative for Educational Excellence will advise and assist LEAs**



