

# Two Years of California's Local Control Funding Formula: Time to Reaffirm the Grand Vision

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# Research Brief: Time to Reaffirm the Grand Vision

## Executive Summary

California ended 40 years of reliance on categorical funding for schools when Governor Jerry Brown signed the Local Control Funding Formula (LCFF) into law on July 1, 2013. LCFF intends to enhance services for high-needs students through new flexibility, targeted student funding, and local accountability. Two years into LCFF implementation, our research in 18 districts and more than half of the state's County Offices of Education (COEs) uncovers both reasons for optimism and a few concerns.

District officials around the state remain enthusiastic about local control. Many report that the LCFF has allowed their district to focus more on supports and services for their high-needs students, improve their budget development and strategic planning processes, and increase community engagement. District and COE officials are nearly unanimous that fully implementing the LCFF will take more time and no one we interviewed favors a return to categorical funding. However, implementation of the LCFF is creating an uneasy tension between local control and compliance that threatens to undermine the vision.

### LCAPs Continue to Challenge

The Local Control and Accountability Plan (LCAP), a centerpiece of the LCFF, struggles with five challenges. Districts

- 1) are unclear about the purpose of the LCAP;
- 2) are unsure about what funds to include in it;
- 3) are confused about the cycle and annual updates;
- 4) view the LCAP as a compliance document; and
- 5) produce LCAPs that are neither readable by nor accessible to the public.

### Stakeholder Engagement Still a Work-in-Progress

The districts in our study made strong efforts to engage stakeholders in LCAP development by embracing a variety of strategies to solicit input. However, meaningful stakeholder engagement is very much a work-in-progress. The general confusion surrounding LCAP development led many districts to scale back Year 2 engagement efforts. Regardless, many districts experienced an increase in interest group activity in Year 2, often

resulting in the “loudest voices” playing a disproportionate role in shaping the LCAP.

Public awareness of the LCFF still lags, which may be complicating engagement efforts. An August 2015 PACE/USC Rossier School of Education poll found that 65% of registered California voters had never heard or read anything about the LCFF.

### Implementation and Capacity Challenges

District capacity—having adequate personnel, expertise, fully functioning data systems and services—could make or break the LCFF. Relatedly, COEs play a key mediating role in LCFF implementation, but variation in their capacity contributed to inconsistent guidance and support to districts.

Among the most pressing long-term challenges to successful LCFF implementation may be California's emerging teacher shortage. Many of our study districts already have experienced teacher shortages or were concerned that shortages will

# Research Brief: Time to Reaffirm the Grand Vision

increase over the next few years, hampering their ability to make good on increased program and service commitments for target student populations.

## Policy Recommendations

### For the State:

- Reaffirm the purpose of the LCFF and raise public awareness.
- Make no immediate changes to the LCAP other than to simplify it and reduce its burden.
- Consider replacing the LCAP in the future.
- Clarify district options and promote promising practices.
- Attend to big picture issues including district and COE capacity building and teacher shortages.

### For COEs:

- Do more to help districts understand the goals and purposes of the LCFF.
- Calibrate the LCAP review process.
- Demonstrate through action that LCAP development is more than a compliance activity.

### For Districts:

- Redefine meaningful community engagement.
- Consider ways to move elements of local control to the school level.

## Conclusion

The LCFF represents an ambitious effort in the nation’s largest state to fundamentally change the way education decision are made, engage local stakeholders in these important decisions, and target additional resources to traditionally underserved students. Now is the time for mid-course corrections that will ensure the state is able to realize the “Grand Vision” that the LCFF is intended to be.

# Two Years of California's Local Control Funding Formula: Time to Reaffirm the Grand Vision

## 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. This is a good day for California, it's a good day for school kids, and it's a good day for our future.*

With these words, Governor Jerry Brown signed the Local Control Funding Formula (LCFF) into law on July 1, 2013. The LCFF marked an historic change in the way California funds its schools and makes education decisions. Ending California's 40-year reliance on categorical funding for schools, the LCFF shifted to local actors the decision-making authority over how to allocate resources to meet students' needs and target additional funding to educate high-needs populations (low-income, English learner, and foster youth). The new law requires that parents and other community members be engaged in that decision-making process and gives authority to oversee a critical element of the LCFF, completion of the Local Control Accountability Plan (LCAP), to County Offices of Education (COEs).

Our first study of early implementation of the LCFF, "A Grand Vision: Early Implementation of California's Local Control Accountability Formula," (October 2014) found that districts were both enthusiastic about the LCFF and the new fiscal freedom it afforded them and unsure if the state would give the system enough time to work. This second study of LCFF implementation, begun nearly a year after the first one ended, picks up where we left off and explores progress to date. Between the two studies we visited 18 diverse urban, rural, and suburban districts where we conducted 216 interviews with administrators, parents, community members, union leaders, and board members. We talked with individuals in 36 of the state's 58 COEs, reviewed 75 LCAPs, and consulted with a range of state policy officials. (See Appendix A for a complete description of data collection methods and research questions.)

After two years of study, we find reasons for continued optimism about the future of this landmark policy, but also warning signs to which the state must pay attention. On the positive side we observe widespread support for the shift toward local control. At the same time, however, we find that "flexibility" in terms of resource allocation remains a term without common meaning, that community engagement is an ongoing challenge, that creeping bureaucratization threatens the "local" in local control, and that the LCAP clouds and circumscribes the stated purpose of the LCFF.

# Research Brief: Time to Reaffirm the Grand Vision

## Continued Enthusiasm

The enthusiasm and hope we found in Year 1 of the LCFF implementation continued into Year 2. Said a district official we interviewed this year, “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.” Similarly, a COE official explained, “For years and years how we have spent our money has been aligned with whether we follow all the rules, not whether it had an impact on student achievement. For me, the overarching purpose of the LCFF is really thinking about here’s what we do as educators and here’s how the funding supports it.”

Many of our interviewees reported that the LCFF is changing the conversation in their districts. “We have a lot of homeless and foster youth and LCFF has given us a lot more leverage,” a district official noted. “Now we have to make a plan, we have to have the conversation. Now we are working on school climate and people are starting to see it makes things better for everyone.” One district in our study reopened its formerly disbanded English Language Services Department because “we know we need to do a better job of serving these students.”

“The focus on student needs now is huge.” -District official

Officials in several districts also reported that the LCFF has improved their budget development process by breaking down traditional siloes between the budget office and educational services offices. Some districts have made progress

toward better community involvement and engagement in resource allocation decisions. Still others said that the development of their LCAP has improved their strategic planning.

Based on our conversations with district officials and a review of many LCAPs, we found that specific programs and activities varied across districts, but that there were also many similarities in ways districts proposed to support their unduplicated student groups. In cases where the targeted subgroups made up a large proportion of the total school population, districts often reported that all of their actions were intended to positively influence all student groups. In many cases, the LCAPs identified similar strategies for supporting each target group, such as extended day/year programs that offer academic support or credit recovery options, intervention strategies, academic counseling, social-emotional counseling, behavioral interventions (i.e., restorative justice), support for Common Core implementation, and college and career programs.

When districts separated out actions intended to support specific subgroups, English Learners tended to receive the most differentiated and targeted services. In contrast to English Learners, low-income students have far fewer services specifically targeted to their needs. In many cases, the same strategies that are intended to help all students are seen as helping members of this subgroup. Foster Youth also have fewer actions targeted to them. Table 1 below lists the most common services districts are providing.

# Research Brief: Time to Reaffirm the Grand Vision

**Table 1. Common Services in the LCAPs Reviewed**

Common Services Targeting Subgroups		
English Learners	Low-Income Students	Foster Youth
<ul style="list-style-type: none"> <li>• ELD support classes and materials</li> <li>• PD for teachers on ELD standards and teaching strategies</li> <li>• Additional bilingual support personnel (intervention specialists, coaches, instructional assistants, community outreach coordinators)</li> <li>• Expanded translation services</li> <li>• Parent workshops</li> <li>• Newcomer/ Migrant programs and supports</li> </ul>	<ul style="list-style-type: none"> <li>• Supports for teen parents</li> <li>• Math/ELA coaches</li> <li>• Instructional assistants</li> <li>• Cafeteria and transportation services.</li> </ul>	<ul style="list-style-type: none"> <li>• Foster Youth Liaison</li> <li>• Greater collaboration with outside agencies to coordinate services and monitor students</li> <li>• PD for teachers on foster youth and helping students dealing with trauma</li> </ul>
Common Services Targeting All Students		
<ul style="list-style-type: none"> <li>• Curriculum and instructional materials (including technology)</li> <li>• Common Core implementation support (e.g., coaches, TOSAs, and PD)</li> <li>• Course access, increasing A-G and AP courses and accessibility</li> <li>• Supporting highly qualified teachers (through BTSA, training, salaries)</li> <li>• Expanding career/CTE pathways</li> <li>• Administration and analysis of state and local assessments</li> <li>• Parent outreach and workshops</li> <li>• Enrichment programs (e.g., arts integration, STEM programs)</li> <li>• Programmatic support staff</li> <li>• Class size reduction</li> <li>• Extended learning time</li> <li>• Tutoring</li> </ul>		

In general, districts were more likely to make technical changes to their LCAPs in Year 2, consolidating goals and adjusting metrics, than to make major programmatic changes. Most districts reported making minor adjustments to actions which, though planned, had not been carried out in Year 1. These normally resulted in expanded services, additional hiring, or accelerated implementation. Very few districts reported ending programs after one year of implementation, though some indicated shifts in focus and funds from one priority area to another.

## Nagging Concerns Persist

District and COE officials were nearly unanimous in their view that fully implementing the LCFF will take more time. The learning curve for all remained steep and old habits die hard. The legacy of categorical funding is deeply embedded in the DNA of many state, district, and county officials. Moreover, old fears continue to exert a powerful pull. The Great Recession of 2008, with its huge funding decreases, layoffs, and program cuts was still fresh in the minds of many educators. Even districts in our study that were receiving significant financial boosts from the LCFF (one district's budget will have increased by as much as 70% by the time the LCFF is fully implemented) are wary of permanently committing their new dollars. Thus, for example, we found some districts were hiring consultants rather than permanent employees to fill new positions.

We did not interview a single individual this year or last who said, "Let's go back to categorical funding." Yet we simultaneously found a lingering concern that the state will make sharp changes to

# Research Brief: Time to Reaffirm the Grand Vision

the LCFF too quickly, along with mounting angst about what many districts see as the law's creeping bureaucratic requirements.

Much of this may simply be the result of natural growing pains inherent in dramatic change. Yet the challenges of making the LCFF come alive are becoming more evident. The sense of purpose and enthusiasm about the LCFF is fraying a little around the edges. As districts and COEs move forward with implementation, the vision of what the LCFF might be—to make local decisions about how to allocate resources to achieve local goals—is beginning to dim for at least some educators.

## An Uneasy Tension between Local Control and Compliance

The increasing tension between local control and compliance represents a significant challenge to LCFF implementation. The original intent of state policymakers was to move decision making to the local level, but district officials are beginning to feel that the control is increasingly being exerted by the state and COEs through the eight priority areas, the still-developing accountability system, and the LCAP. As one of our interviewees told us, "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."

Under the LCFF, the Legislature established eight priority areas all districts must address. To these eight priorities—student achievement, school climate, basic services, implementation of Common Core standards, student engagement, parental involvement, course access, and other student outcomes—the Legislature attached 24 metrics

districts must use as they establish goals for each subgroup. To be sure, in our interviews we heard no groundswell of concern about the priority areas, nor a consensus about whether these priority areas are the right ones or if eight is the right number. In practice, most of our study districts seemed to collapse the eight priorities into three mega-categories, typically school climate, student achievement, and parent engagement.

Several districts, however, did raise questions about whether the eight state-determined priorities were respectful of the idea of local control and why the state placed equal weight on all of them. As a COE official told us, "You should focus on the things first that will have the greatest impact but we're asked to do every priority and every metric up front. It sure makes it seem like compliance." Several districts said they would like to 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.

"They feel like compliance. We have to take the district's goals and squeeze them into the state's priorities." -District official

District and COE officials also raised concerns about the potential of the state's new accountability system to reinforce compliance over local control. New evaluation rubrics are being designed to serve as tools to ensure districts align resources and implement strategies that result in meaningful student outcomes. The State Board has called for major revisions to the first draft of the rubrics. Nevertheless, district and COE officials fear a highly



# Research Brief: Time to Reaffirm the Grand Vision

specific and lengthy set of accountability metrics could further diminish opportunity for local decision-making.

## The LCAP Continues to Challenge

In last year's study we reported that districts encountered a variety of problems completing their LCAPs. Between that study and this, the state revised the LCAP template. Our data strongly suggest, however, that the revised template is not an improvement.

The LCAP has become the public face of the LCFF. Often ballooning to several hundred pages, that face is not very appealing. When asked to describe the LCAP, district representatives called it "unwieldy," "a nuisance," "self-defeating," and "a beast of a document." We heard last year's refrain—"Let us tell our story"—repeated again this year.

The LCAP continues to be plagued by five key challenges: 1) lack of clarity about its purpose, 2) confusion about what funds it should include, 3) frustration with the LCAP cycle, 4) compliance mentality, and 5) lack of transparency.

### Insufficient Clarity about Purpose

Districts remain unclear about the purpose of the LCAP. What is it meant to be? A strategic plan that offers a roadmap for the district's educational direction? A document intended to communicate to and engage external stakeholders in developing the district's programs and services? A collected set of statistics designed to give the state (in the form of COEs) information for accountability purposes? All of these? None of these? The lack of

clarity reinforces apprehensions about how much control local districts really possess.

"In theory [the LCAP] is a collaborative document that brings together parents, students, staff, community, civil rights groups, and board members to talk about where [we are], where we want to be, and how we get there. It's about setting goals and looking at progress ...to see how close we are to reaching those goals. The template doesn't lend itself to that." -District Administrator

### What Funds?

Last year we reported that districts were not clear about what funds should be included in the LCAP. One of our study districts, for example, distinguishes between "the LCFF" and the "LCAP Program" and includes only supplemental funds—the "LCAP program"—in its LCAP. Other districts include a broader array of funds but remain puzzled by which parts of the budget should be reported in the LCAP. As a result, LCAPs tend to offer a description of what districts are planning to do for target groups but typically lack a clear picture of how LCAP-delineated programs and services are tied to the general education program and the overall budget.

This frustration about what funds to include in the LCAP is illustrated in this comment from a district official: "Originally we tried to include all funds but then it didn't tell a good story to communicate

# Research Brief: Time to Reaffirm the Grand Vision

what spending the additional money was [doing]. We really struggle with what [funds] should and should not be included. At this point, it's probably 40% of the funds but that is not even a great number because some supplemental funds are included and some are not. You start to put information out there and it doesn't tie to the budget on the website."

## The Endless Cycle

Many districts also express frustration with the LCAP cycle. Districts currently complete a 3-year LCAP and then, in theory, produce annual updates on a rolling cycle. Many of our interviewees told us that this is not what happens in practice. Districts do in fact complete 3-year plans, but the following year they must again complete the full LCAP form. In order to do this, they cut and paste from the previous year's document, so that the full plan appears again. This explains why many LCAPs have grown to several hundred pages. Annual updates—evaluating last year's work and expenditures, making mid-course corrections as needed—often get lost in this cumbersome and duplicative process. As one district official noted, "[We are] always in LCAP development mode. It's a never-ending uphill climb."

Districts also noted the LCAP timeline is off. They are required to approve an updated plan and share what progress they can with their community before data measuring progress are available. In addition, the LCAP approval timeline does not align with the district budget development and approval timeline, thus further distancing the LCAP from other key district planning efforts.

## Compliance Orientation

"The LCAP is meant to demonstrate 'due diligence' to assess and meet needs but it's becoming too much of a compliance document—too much about dotting all the i's and crossing all the t's," one district superintendent told us.

Some districts say they begin LCAP development with the intention of generating a strategic plan but as time grows short, deadlines grow near, and they receive "corrections" from their COEs, the work becomes more compliance-oriented. Districts that already have strategic plans in place that reflect significant community input tend to view the LCAP as something separate that has to be developed from scratch. As a result, the LCAP has become more about compliance than about local choices. Rather than a coherent set of strategies to guide meaningful work, the LCAP often resembles a list of programs and services designed to meet state and COE requirements.

The notion of the LCAP as a compliance document often is reinforced by COEs' appraisal approach. The three "tests" that the law requires COEs to use to determine if an LCAP passes muster—Has the district properly filled out the LCAP template? Does the district have the financial resources to carry out the programs and goals spelled out in the LCAP? Does the plan properly direct supplemental and concentration state funds to the target student populations?—makes the LCAP seem like another state compliance document, according to our study districts.

# Research Brief: Time to Reaffirm the Grand Vision

In the same vein, districts noted the many compliance documents they must already submit to the state, often with the same or similar information as the LCAP 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.”

Some COEs have taken steps to ameliorate the LCAP’s compliance orientation. Said one COE official, “The 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 district.”

## Lack of Transparency and Accessibility

Districts report that the LCAP is neither readable by nor accessible to parents or the wider range of stakeholders. As one district administrator noted, “The materials need to become fundamentally more digestible. If we are going to continue with an LCAP like this, there needs to be a summary for public distribution, something that accompanies this that people can just read and say, ‘Oh, this is what they are trying to do.’” The LCAP is no more

accessible to districts’ education professionals. As a district administrator remarked about keeping his staff and principals up to speed on the LCAP, “You have to constantly give them the Cliffs Notes on it. Now 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.”

## Stakeholder Engagement: The Loudest Voices or All Voices?

The districts in our study made strong efforts to engage stakeholders in LCAP development. In the first two years of LCFF implementation most districts embraced a variety of strategies to solicit stakeholder input, including representative advisory groups, surveys, and community-wide meetings involving presentations, facilitated discussion, and in some cases, rotating small-group activities. Districts offered oral and written translation of meetings and materials, published materials online and in print, scheduled meetings at a variety of times and locations, and often provided food and childcare.

Despite district attempts to engage a variety of stakeholders, their efforts often fell short of expectations in Year 1. Our Year 2 data reveal that stakeholder engagement is still very much a work-in-progress. Districts have not yet mastered the skills necessary to involve a broad array of stakeholder groups in complex resource allocation decisions. Moreover, the general confusion surrounding LCAP development led many districts to scale back engagement efforts in Year 2. Districts were unsure if comprehensive engagement was required or if they were just meant to report progress since Year 1’s LCAP.

# Research Brief: Time to Reaffirm the Grand Vision

Some districts' decision to conduct a lighter touch engagement process left some stakeholder groups feeling less involved in Year 2 than in Year 1.

In a few districts, historically fractured relations between districts and their communities presented special challenges. Lack of trust between underrepresented parents and their school districts made engagement efforts more difficult.

Despite continuing challenges, many districts experienced an increase in interest group activity in Year 2. In some cases, groups that previously had been unorganized became more active and involved. Observers in multiple districts nevertheless noted that parents and community members with the "loudest voices" still were playing a more significant role in shaping the LCAP. For example, in several districts, parents advocating for the needs of advanced or gifted students succeeded in expanding opportunities for these students, such as increasing the number of Advanced Placement courses. These voices often were heard above those advocating for students with LCFF target needs, who are entitled to supplemental supports and services under LCFF.

Our data thus suggest the emergence of a potentially troubling trend. Contrary to what state leaders may have envisioned, the LCAP development process is not necessarily bringing new voices to the table or ensuring that all voices are heard. The impulse to organize around specific wants or interests may instead be promoting an adversarial model of engagement that can limit the possibility of LCAP discussions that reflect the needs and interests of the full school community. A more consciously deliberative model of

engagement would encourage stakeholders to make resource allocation decisions based on the "common good" of the district and its community, rather than the particular demands of specific groups.

The LCFF implicitly assumes that the local school board will play the role of bringing together disparate voice and interests, both those that are vocal and those that are quieter, to create a collective vision that serves all students in the district. Yet our data suggest that school boards often are less involved in LCAP engagement and development than the processes require. Some school board members indicate deep involvement in ensuring the LCAP reflects the interests of their school community. Others admit that their engagement by and large begins and ends with considering the LCAP the district administration presents to them. The apparent limited engagement of school boards in the LCAP development process reduces the chances that the LCAP reflects a coherent set of strategies and a clear district plan.

Our data also point to another emerging dilemma, that is, the definition of "local" in local control. As a number of district officials noted, "local" largely has been limited to district level activities, with school or classroom involvement minimal at best. Yet most parents more closely identify with their child's school or teacher than with the district as a whole. Moreover, while districts are responsible for ensuring the common educational good of all students, the LCFF's principle of subsidiarity encourages decision-making at the lowest appropriate level. This suggests that, over time, full implementation of the letter and spirit of the LCFF

# Research Brief: Time to Reaffirm the Grand Vision

will require districts to be more thoughtful about how to strike the right balance between which decisions are best made at the district level and which more appropriately are delegated to the school level.

Public awareness is a final factor to consider in this evolving story of stakeholder engagement and the LCFF. An August 2015 PACE/USC Rossier School of Education poll found that 65% of registered California voters had never heard or read about “a policy called the Local Control Funding Formula, which changes the way California K–12 public schools are funded.” This represents an *increase* from 2014 in which 45% of voters said they had no knowledge of the LCFF. Consistent with this study, the poll found greater awareness among parents who already were involved in public schools through voting in school board elections or serving on the PTA. These poll results suggest that insufficient awareness of the LCFF is complicating district stakeholder engagement efforts.

## Implementation and Capacity Challenges

The LCFF represents a major transformation in the process of district planning and resource allocation. Not surprisingly, districts and COEs faced significant implementation and capacity challenges. Increased state funds in Year 2 were helpful in ameliorating these challenges, but they will need to be addressed directly as LCFF implementation moves forward.

## One Size Doesn't Fit All Districts

Policy makers face difficult challenges shaping legislation and regulations to fit the tremendous variety of California district characteristics and needs. About 10 percent of California districts serve fewer than 100 students, while 30 percent serve fewer than 500 students. Nearly half (43 percent) serve fewer than 1,000 students. Small districts have few central office staff and limited expertise and capacity.

On the other side of the ledger, about 10 percent of California districts are classified as “basic aid” and receive little or no supplemental or concentration funding from the state. Given the general confusion about the vision of the LCFF and the purpose of the LCAP, some basic aid districts view the LCAP as a requirement that should not apply to them, or simply as an annoyance.

In both large and small districts, but especially in small districts, officials reported significant shortages of personnel and expertise to manage human resource needs, collect data, track funding, design metrics, gauge progress, and lead stakeholder engagement. Others noted a lack of data systems to track the progress of students and strategies. Similarly, all districts reported that completing, updating, and monitoring the LCAP required time and resources that they thought could be better spent implementing their plans.

This leads to the important issue of capacity building. As a COE official pointed out, the LCAP process does not encourage districts to develop high functioning human resource departments, robust data systems, or effective professional development plans and programs, yet these

# Research Brief: Time to Reaffirm the Grand Vision

systems could well make or break effective LCFF implementation. The state's developing accountability system appears to be focused largely on outcomes and offers little in the way of incentives for districts to enhance their systems capacity.

## Cultural Shifts are Hard

The LCFF represents a dramatic cultural change for district and COE administrators, whose careers have been spent addressing compliance requirements from the state and federal governments. Shifting administrators' mindset is taking time, and the task is made more difficult because many view the LCAP as a compliance exercise. In Year 1, we saw some evidence of a shift away from administrators' tendency to work in silos, but eliminating these silos is turning out to be more difficult than anticipated.

"It is a 5 year process to learn it. We have a whole generation of ed services administrators who have been geared, programed, and fine tuned to do one thing—be in compliance. They are compliance thinkers." -COE official

## COE Roles and Capacity

Our data also indicate that COEs continued to play key mediating roles in the implementation of the LCFF. Like districts, COEs vary in their size and capacity, and many were limited in what they were able to provide to districts. Although nearly all of the counties reported receiving additional funding this year, many continued to report that the process of approving LCAPs was so time consuming

and staff so limited, that they were not able adequately to support the process. One COE in our sample, for example, recognized the need to differentiate support for small and large districts, but reported that they had insufficient resources to do so. COEs were also concerned about the stability of funding. Many feared additional funds would dry up just at the time that the LCFF evaluation rubrics were coming online and they were faced with even greater responsibilities.

The ambiguity surrounding LCAPs coupled with the variable levels of COE staff knowledge led to wide variation in the policy interpretations and guidance that COEs provided to case study districts. One district, for example, believed their COE was requiring additional reporting on expenditures, making the LCAP even more difficult for external stakeholders to understand. Across districts we were told that different COEs gave advice that differed substantially on what funds to account for in the LCAP, on the proper uses of funds, and on similar questions.

Further, the majority of COEs appeared to provide case study districts with guidance that favored compliance rather than substantive coaching or technical assistance. Some districts were sympathetic to the plight of county offices "caught in the middle" of enforcing state requirements and tasked with policing rather than supporting districts. As one COE official noted, "We become the L-COPs." Several COEs expressed a desire to coach districts rather than simply enforce compliance. While many districts reported receiving helpful advice on how to fill out the LCAP template and what was required to fulfill the basic requirements, however, we rarely heard about

# Research Brief: Time to Reaffirm the Grand Vision

county offices supporting the substantive development of strategic plans or selection of strategies to address the needs of targeted students. The notable exception was COE support around stakeholder engagement. In several case districts, the COE provided substantive guidance, including sample materials for use in stakeholder feedback sessions.

## Looming Teacher Shortages

California's emerging teacher shortage may be among the most pressing long-term challenges to successful LCFF implementation, based on reports from our study districts and interviews with officials from the COEs. Only a few of our study districts began the school year with open teaching positions, but many were concerned that shortages will increase over the next few years, hampering their ability to make good on increased program and service commitments for target student populations.

The influx of new funds, an apparent increase in teacher retirements, and the diminishing number of teacher candidates in preparation programs all contribute to increasing teacher shortages. Several districts lamented that they are losing their competitive edge to surrounding districts that have received more LCFF funds and have used some of them to increase teacher salaries. "All of this new funding is making it very difficult for us to hire teachers," said one administrator. "We used to have the pick of the litter, and now districts all around us have money, and so there are many fewer available teachers." In one district that is using LCFF funds to lower class size, administrators expressed deep concern about their ability to staff classrooms with qualified teachers in the coming

years. Others were already in the midst of such problems. Still others were encountering significant difficulty finding substitutes, which complicated efforts to provide LCFF-supported professional development for regular classroom teachers. If the patterns of shortages the state experienced almost two decades ago are any gauge, shortages will be most severe in the schools with high concentrations of low-income students, English language learners, and foster youth, potentially threatening successful implementation of the LCFF.

## The Role of the CCEE

Looking to the future, some districts were hopeful that the new California Collaborative for Education Excellence (CCEE) would broker support for districts and provide much-requested exemplars of practice. Others remained uncertain about the CCEE role and were concerned that it would not be a capacity-building body but would instead reinforce compliance. These districts believed their greatest hope for substantive guidance on improvement strategies lay within district networks and with colleagues who possessed the real-time experience and expertise COEs may lack. "I think actually coalitions of districts ... that are having shared conversations [about issues of] mutual concern makes sense because we can help each other," said one superintendent.

# Research Brief: Time to Reaffirm the Grand Vision

## Policy Recommendations

After two years of implementation, enthusiasm for the principles of the LCFF remains strong. That enthusiasm, however, is tempered by a growing sense of urgency about LCFF's drift toward compliance. The policy recommendations below focus on reaffirming LCFF's "grand vision" and ensuring that implementation of the new law remains true to that vision.

### Implications for State Policy

**Reaffirm the purpose of the LCFF and raise public awareness.** The LCFF represents a sweeping shift in both the distribution of resources and the governance structure for educational decision-making. It is a difficult transition for everyone involved. Most district and COE officials have been raised on a steady diet of compliance with state regulations and little or no community involvement in determining the path a district will take. As the implementation of LCFF continues, these old habits continue to resurface and threaten to push the locus of control back up to the state level. Additionally, the public is generally unfamiliar with the LCFF, and consequently plays a limited role in anchoring or driving decisions at the local level. The Governor, the State Board of Education, and the California Department of Education must redouble their efforts to reaffirm the purpose of the LCFF so that educators and the public at large have a clear understanding of the law's intent. A strong statement from the Governor could be particularly effective at this moment. Alternatively, the state might consider investing in public service announcements or other communications to broaden public awareness and knowledge.

**Make no immediate changes to the LCAP other than to simplify it and reduce its burden.** In our interviews with district and COE officials, we heard one consistent message: "Give us time to get used to the new system. Don't change things." Districts are wary of having to learn and do more in the short term. The only changes that would be helpful at this juncture are those that simplify the process, reduce the burden on districts, and help them focus on what matters. These focus primarily on the LCAP.

**Consider replacing the LCAP in the future.** District and COE officials want no immediate changes to the LCAP template, but they are nearly unanimous in criticizing the LCAP as a burdensome, compliance-driven document that does little to advance public engagement or understanding. In the short-term, the State Board should make every effort to simplify the template and to keep the forthcoming rubric as simple as possible.

For example, the state might reduce districts' annual workload by stretching the LCAP cycle over three defined years and eliminating the rolling plan. Districts could then focus their efforts on engaging stakeholders and setting goals in Year 1 and spend Years 2 and 3 reporting on progress made toward goals and making modest course corrections as needed. This approach could bring more focus and depth to districts' interactions with communities.

In addition, the state needs immediately to clarify the purpose of the LCAP and the funds that are meant to be included in LCAP reporting. In an effort further to reduce redundancy and burden, the Board and CDE also should continue their work



# Research Brief: Time to Reaffirm the Grand Vision

to align other state reporting requirements with the LCAP. Over the long term, the Board should consider replacing the LCAP with a tool that places more emphasis on long-term strategic planning and budgeting, allows districts to tell a coherent narrative, and places less emphasis on rote, redundant responses in each state priority area.

**Clarify districts’ options and promote promising practices.** Counties and districts are not fully utilizing the flexibility that is inherent in the law. In some cases, counties are over-interpreting or misinterpreting the law. In other cases, districts appear to be waiting for the state to provide them with direction, rather than exercising the authority they already have. For example, district officials seem to agree that an easy-to-read executive summary of their LCAP would be helpful, but few districts produce one. The state need not require a summary—more requirements would not be helpful—but it can provide guidance and exemplars. Districts could also use more guidance and resources for improving stakeholder engagement, including tools that facilitate less adversarial forms of engagement and examples of what “meaningful” engagement looks like. The state can provide this support through CDE, COEs, or through the CCEE.

**Attend to big-picture problems that threaten the successful implementation of LCFF.** As the state relaxes its grip on the fiscal management of schools, it needs simultaneously to sharpen its focus on big-picture issues that are beyond the ability of local districts to address. Two such issues emerged in our research. One is insufficient capacity at some districts and COEs to build effective core services such as human resources,

professional development, data collection and analysis, and other similar systems. The influx of LCFF dollars will not be enough to fix these significant foundational problems, especially in high-need districts. Second, the impending teacher shortage will require state action to ensure a healthy teacher pipeline and support the new teachers districts will hire to meet their LCFF commitments.

## Implications for COEs

Many of the policy recommendations for the state apply to COEs as well. Specifically, COEs can do more to assist districts with implementing LCFF.

**Help districts understand the goals and purposes of the LCFF.** COEs need to send a more consistent message to their districts about the goals and purposes of the LCFF. CCSESA should expand its efforts to train COE staff to provide districts with a common understanding of the LCFF.

**Calibrate the LCAP review process.** Districts reported significant variation in LCAP guidance and approval from one COE to the next. COEs need additional training to ensure consistent and reasonable expectations for LCAPs.

**Demonstrate through action that LCAP development is more than a compliance activity.** Ideally, COEs should work closely with their districts during the LCAP development process so that completed LCAPs meet the state’s expectations for these plans and align with stakeholder input. Some COEs in our study prioritized providing tailored technical assistance to their districts—including support for community engagement efforts, data analyses, and plan

# Research Brief: Time to Reaffirm the Grand Vision

writing—as well as collecting and distributing examples of exemplary practices. Districts would be well served if more COEs followed suit.

## Implications for Districts

Changing deeply ingrained practices and moving beyond a compliance mentality will take time for districts. The LCFF demands that district leaders develop new skills and assume new roles.

### **Re-define meaningful community engagement.**

Districts' efforts to engage stakeholders in LCAP development have typically involved collecting diverse and often divergent opinions. As we noted, too often only the loudest voices are heard. A more deliberative and educative approach would place the common good at the center of the engagement process. Achieving this approach will require substantial training of district officials and the help of outside experts. It also will require a more engaged school board, and intermediary organizations willing to support all stakeholders in discussions of district-wide needs, priorities, and strategies. Districts might use representative advisory groups as one avenue to bring a more deliberative model to community engagement, using structured protocols and careful facilitation. Districts should also use data to anchor conversations in needs rather than wants and maintain sustained interaction over time to build trust so as to broaden the diversity of those who are part of the conversation about strategies, educational approaches, and the allocation of resources.

**Over time, consider ways to move elements of local control to the school level.** Thus far, the LCFF has generally been the District Control Funding Formula. In the future, districts might more closely follow the intent of the LCFF, as expressed by the Governor when he signed the LCFF into law. With support and careful oversight by the district to ensure equity across schools, more decision-making authority could rest with local schools and the communities they serve. As the governor said, “We are bringing government closer to the people, to the classroom where real decisions are made, and directing money where the need and challenge is greatest.”

## Conclusion

In this report we have offered a status check on still-early implementation of the LCFF and suggested implications for action. As we have noted in both this report and last year's, California is pioneering something new, bold, and noble. The LCFF represents an ambitious effort in the nation's largest state to fundamentally change the way education decision are made, engage local stakeholders in these important decisions, and target additional resources to traditionally underserved students. Successfully implementing this sea change will require time, support, effort, and patience. Educators remain supportive of the LCFF; they want it to work. Now is the time for mid-course corrections that will ensure the state is able to realize the “Grand Vision” that LCFF is intended to be.

## Appendix: Data Collection Methods

The research team collected data for the first year of LCFF implementation between June and October 2014 and for the second year between September and October 2015. We began each round of data collection with a series of interviews with key Sacramento policy stakeholders closely involved with the LCFF. Over the course of two years, we reviewed a variety of documents related to the LCFF’s development and requirements and related policy developments. We also reviewed 75 district Local Control Accountability Plans (LCAPs).

We selected 18 districts across California as study sites. We visited 10 districts in the first year and 9 in the second, though one was a duplication from Year 1. To ensure our sample was reasonably representative of districts in the state, we made sure study districts were diverse in terms of enrollment, geographic region, urbanicity, and proportions of English learner (EL) and low-income students.

**Table A-1. Enrollment in case districts**

Enrollment	Number of case districts
< 4,000	5
4,000-10,000	3
10,000-40,000	6
40,000-100,000	3
> 100,000	1

**Table A-2. Unduplicated pupils in case districts**

Percentage of unduplicated pupils	Number of case districts
< 40%	2
40% - 55%	2
55% - 80%	7
80% - 100%	7

# Research Brief: Early Implementation of the LCFF

We conducted interviews with a range of informants in each study district for a total of 216 interviews across the 18 districts (see Table A-3 for details). In 16 of the 18 districts, we interviewed COE officials.

**Table A-3. Interviews conducted by respondent type**

Respondent type	Number of Interviews (2014)	Number of Interviews (2015)	Total interviews (2014 and 2015)
District staff	51	70	121
COE staff	9	15	24
School board member	6	7	13
Union member	7	22	29
Parent	7	12	19
Community organizations	0	6	6
<b>Total interviews conducted</b>	<b>80</b>	<b>136</b>	<b>216</b>

We also conducted phone interviews with officials in an additional 32 COEs. In sum, we interviewed officials at 36 of the state's 58 COEs.

**Table A-4. County Office of Education interviews**

	Number of COEs interviewed (of 58 total in CA)	Number of Districts served (of 949 total in CA)
2014 interviews	20	405
2015 interviews	27	539
<b>Total unduplicated interview count</b>	<b>36</b>	<b>701</b>

# Research Brief: Early Implementation of the LCFF



## **The two years of study sought to understand the following:**

- 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?