

PAVING THE WAY TO EQUITY AND COHERENCE? THE LOCAL CONTROL FUNDING FORMULA IN YEAR 3

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EXECUTIVE SUMMARY

This report seeks to help policymakers and others better understand ways in which LCFF implementation is changing fundamental aspects of resource allocation and governance in California's K-12 education system. The LCFF provides all districts with base funding plus supplemental and concentration grants for low-income students, English learners, and foster youth. The law eliminated most categorical programs, giving local school systems resource allocation authority and requiring Local Control Accountability Plans (LCAPs) developed with input from parents, community members, students, and educators. The goal is more equitable and coherent resource allocation decisions and improved and more equitable student outcomes.

This report, the third by the Local Control Funding Formula Research Collaborative (LCFFRC), focuses on issues that emerged from our previous research in which we found widespread support for the LCFF as well as significant challenges. Many districts had difficulty fostering meaningful stakeholder engagement. Some found the LCFF and Common Core State Standards (CCSS) to be competing policy priorities. Questions remained about how resource allocation decisions were made and if LCFF dollars were reaching targeted populations. Drawing on these findings, this study focuses on four main issues: 1) the extent of meaningful stakeholder engagement in LCAP development, 2) ways LCFF implementation is advancing or challenging CCSS implementation, 3) how resources are allocated, especially to targeted groups, and, 4) the extent to which LCFF planning and implementation advance equity and coherence.

This report is based on eight case studies, seven in traditional districts and one in a charter management organization. Study sites reflected California's geographic and demographic diversity. To collect data, we conducted 151 interviews with administrators, parents, community members, union leaders, and board members in fall 2016 and examined a range of relevant documents, including LCAPs, district budgets, collectively bargained contracts, strategic plans, and school site plans. While we recognize this study has limitations, including the small number of cases and the timing of the data collection (districts had not yet used the revised LCAP template and the new state accountability system was not fully in place), we believe the research provides important insights into the ongoing implementation of the state's ambitious new system of finance and governance.

STAKEHOLDER ENGAGEMENT

After three rounds of LCAP development, stakeholder engagement in LCFF planning remained a work in progress. Parents remained the central focus of LCFF stakeholder engagement in all of

our case study sites, though this year we found districts increasingly acknowledged the challenge of engaging parents and several were trying new approaches. Two altered the focus of district-wide meetings from LCAP development to conversations about broad district goals and strategies and added school-based meetings centered on *school* resource allocation priorities. Six increased use of district-wide committees, such as the District Advisory Committee (DAC) and District English Learner Advisory Committee (DELAC).

Efforts to engage other stakeholders beyond parents varied considerably. Principals and teachers in seven districts were invited to participate in surveys and/or attend meetings. In the districts that shifted some resource allocation decisions to schools, principals played an active role organizing school-based parent and educator feedback around school spending priorities. Positive labor-management relations typically enhanced teacher union engagement in LCAP development; poor relations hindered it. Six of our study districts made a point of soliciting student ideas as part of LCAP development. Community-based Organizations (CBOs) were actively involved in the LCAP process in only three study districts. We found little evidence that school board members engaged in LCAP development beyond approving the LCAP district staff developed. Overall, engagement efforts resulted in some limited investments in stakeholder priorities evident in the LCAP.

Challenges to meaningful engagement included the inability of the LCAP template to communicate district strategies and investments to stakeholders and lack of district capacity and experience to organize and solicit diverse stakeholders' ideas.

COMMON CORE IMPLEMENTATION IN LCFF

The near-simultaneous implementation of Common Core State Standards (CCSS) and the LCFF has placed substantial demands on educators. Our investigation focused on the role of CCSS implementation in LCAP planning and how LCFF allocations advanced CCSS implementation and ensured targeted students had access to standards-aligned instruction and supports.

In three of our eight districts, standards implementation was a prominent part of the districts' LCAP, frequently identified among key goals and strategies. Typically, these districts allocated significant resources for standards-based professional learning and specific supports to help targeted students master the standards. Two districts made no to minimal explicit mention of the state standards in their LCAP and evidenced little connection between standards implementation and the LCAP. The remaining districts fell somewhere in between.

In the majority of case study districts, CCSS implementation was addressed in the LCAP through adoption and purchase of core and supplemental texts and materials in English Language Arts and Mathematics. While most districts' LCAPs referenced investments in professional development to support CCSS implementation, these efforts appeared primarily as lists of activities rather than an articulated approach to professional learning to support needed

instructional shifts. All districts placed some emphasis on incorporating supports and extended learning opportunities for targeted students; the degree to which these supports aligned with the Common Core was generally unclear.

RESOURCE ALLOCATION

As previously noted, the LCFF was based on the principle of differentiated funding to achieve equity, with additional dollars for supports and services for the three targeted groups of students and district flexibility to make resource allocation decisions. Our study examined resource allocation along four dimensions: 1) the fiscal context in which districts implemented the LCFF, 2) how decisions about resource allocation are made at the district level, 3) the kinds of investments districts are making under LCFF, and 4) the extent to which district investments supported the targeted student groups.

Districts have been implementing the LCFF during a time of rising revenues; funding for K-12 education has increased \$15.7 billion over the past five years. Despite rising education revenues, district officials assert that available state monies still are not sufficient to provide high-quality education for all students. Anticipated flattening annual LCFF allocations and increased costs—significantly increased employer contributions to state retirement programs, mounting costs of special education, and uncertainties about future health care costs—add to this worry. Compounding increasing cost issues, some districts are facing declining enrollments and the subsequent reduction of state funds.

Whatever the impacts of rising costs and roiling uncertainties, the LCFF appears to have ushered in a more collaborative budget making process that breaks down traditional department silos. District officials describe this as a cultural shift. We found that most budget decisions continued to be made at the central office level though six of our eight study districts moved some small measure of resource allocation discretion to schools.

Our study districts made good faith efforts to allocate supplemental and concentration funds to the targeted student groups. Typically, these investments included hiring counselors and social workers, adding tutors and subject area specialists, increasing advanced placement programs, and enhancing teacher professional development opportunities. A few districts added teachers and administrators to schools with high concentrations of targeted student populations; one extended the school day and year for schools with high targeted student populations.

Despite these good faith efforts, we found varying interpretations about some of the basic tenets of the LCFF regarding resource allocation. We noted continuing confusion about which funds should be included in LCAPs. One district included only supplemental and concentration funds, another included all of its state (base, supplemental, and concentration) and federal funds. The other six districts' LCAPs included various portions of their state and federal funds.

Some districts appeared unclear about the appropriate use of supplemental and concentration dollars. One district restricted these dollars to new one-time purchases. Another district reclassified expenditures that previously had used base funds and substituted supplemental and concentration funds. Several districts used supplemental and concentration funds for programs and infrastructure for all students.

EQUITY AND COHERENCE

As previously noted, this year’s study paid particular attention to the extent to which LCFF advanced equity and coherence.

Equity

While the LCFF itself does not include a definition of equity, statements from key state leaders such as the Governor and guidance from state agencies such as the California Department of Education (CDE) clarify the equity intent of the law, namely, that ensuring equity of opportunity for all students requires unequal funding with more supports and services targeted to low-income students, English learners, and foster youth. Most of our eight study districts hewed to this definition of equity, viewing the LCFF as a mechanism to distribute more resources to their students with greater needs.

Two districts appeared to be operating from alternative definitions. One viewed equity as equal (i.e., the same) treatment for all students with the goal of ensuring key resources were provided equally regardless of students’ economic circumstance. Another district allocated resources according to a meritocratic conception of “fairness,” that is who the district presumed might benefit most. This approach led them to allocate academic support to the top ten percent of students whom district officials deemed most likely to go to college. These differing interpretations of equity may be outliers, but they suggest that the state’s intended definition of equity may not be universally understood.

Coherence

The LCFF is meant to shift districts from the fragmented, regulatory compliance of categorical funding to more strategic and coherent planning and budgeting. Study districts varied significantly in their levels of overall strategic coherence.

Three exhibited relatively high levels of coherence—consistent articulated goals, strategies and resource allocation decisions aligned to these goals, and metrics to evaluate progress. The remaining districts displayed only moderate (two districts) or quite low levels of coherence (two districts). Meaningful metrics and data use processes to monitor progress continued to evolve.

LCFF seems to have removed some barriers to coherence yet some remain. Some districts’ perceptions of limitations on the use of supplemental and concentration funds coupled with

the continuing “categorical mindset” that persisted in a number of districts handicapped administrators’ ability to think and plan coherently. In addition, the LCAP template was perceived as undermining coherence by reinforcing a compliance and categorical mentality.

CONCLUSION AND POLICY RECOMMENDATIONS

After three years of LCFF implementation, we find that districts are learning and evolving, adapting their approaches and developing new strategies. While districts remain committed to the intent of the LCFF, several obstacles impede their efforts fully to achieve its intended purposes. The recommendations below focus on reaffirming the LCFF’s underlying principles and ensuring that continuing implementation remains on the path policymakers envisioned.

1. REDOUBLE EFFORTS TO CLARIFY AND COMMUNICATE INTENT OF THE LCFF

The state has made substantial efforts to communicate about the purposes and intent of the LCFF. Nonetheless, not everyone is hearing the message. **We recommend** that the SBE, CDE, and other appropriate state agencies and organizations (e.g., CSBA, ACSA, CCSESA) redouble their efforts to clarify the LCFF’s intent. The California Collaborative for Excellence in Education (CCEE) should gather and disseminate examples of promising district, charter school, and COE practices that illustrate ways to successfully accomplish this.

2. ENSURE THAT LOCAL ACTORS HAVE THE CAPACITY TO REALIZE LCFF’S GOALS

The LCFF shifted many decisions to districts, but many districts and COEs cannot fully realize LCFF’s goals without additional support. **We recommend** that the CCEE and other appropriate state and county agencies and organizations invest in capacity building activities to support local LCFF implementation, especially in places experiencing challenging circumstances. As a corollary, the state should consider ways to build community capacity to engage in LCFF-related planning and oversight through partnerships with existing organizations or by coordinating efforts with foundations.

3. REVIEW EFFICACY OF THE REVISED LCAP TEMPLATE AND ALLOW LOCAL EXPERIMENTATION WITH NEW TOOLS

Our research has shown that the LCAP cannot achieve the multiple purposes assigned to it: 1) stakeholder engagement and communication, 2) strategic planning and budgeting, and, 3) accountability for equity. **We recommend** that the state collect and analyze data on implementation of the recently revised LCAP template to learn how well it is serving the law’s intent. The state also should allow local districts to develop alternative tools and approaches to achieve the LCAP’s purposes. CCEE could assess and certify locally developed alternative tools, and districts then should be authorized to select from a menu of approved tools, including the current LCAP template.

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INTRODUCTION

“Our disadvantaged students deserve more resources to overcome the extra obstacles they face, and this formula does just that. At the same time, we’re investing more resources in all of our students ... This dramatic shift in funding allows our schools to target investment where it’s needed most. By empowering our students for success, we pave the way for a stronger California.”

Then-Senate President Pro Tem Darrell Steinberg
Local Control Funding Formula signing, July 1, 2013¹

As these words remind us, the Local Control Funding Formula (LCFF) is intended to bring about significant change in California. New flexibility and local authority combined with additional resources for high-needs students are intended to result in better outcomes for *all* students.

Yet, as Senator Steinberg’s words suggest, the state could only initiate a path. Districts needed to take the steps to achieve these long-term improvements. After three full years of implementation, it is time to ask to what extent districts are forging the path envisioned by lawmakers in 2013. Has the LCFF begun to pave the way for a stronger California?

This report is the third in a series by the Local Control Funding Formula Research Collaborative (LCFFRC). Our research seeks to help policymakers and others better understand ways in which the LCFF is changing fundamental aspects of resource allocation and governance and how these changes might lead to improved student outcomes. We ground our work in an understanding of how the LCFF is supposed to work and what it is meant to accomplish, in other words, in the law’s theory of action.

¹ <https://www.gov.ca.gov/news.php?id=18123>

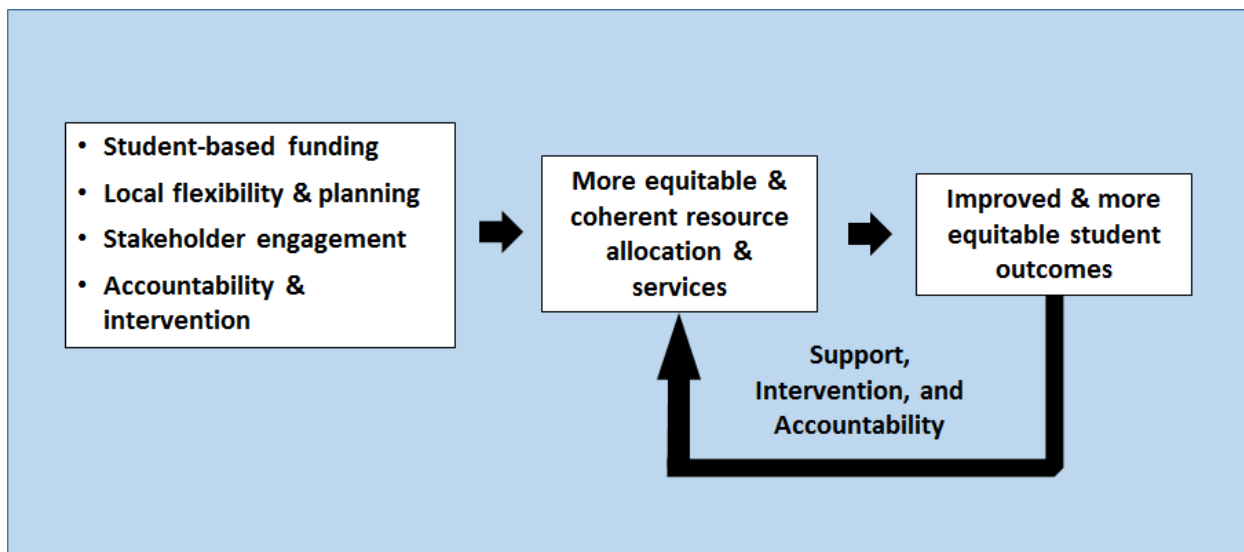


Figure 1: LCFF Theory of Action

As Figure 1 illustrates, the four LCFF strategies—student-based funding, local planning and flexibility, stakeholder engagement, and accountability and intervention—are intended to lead to more equitable and coherent resource allocation decisions and services, and ultimately to improved and more equitable outcomes for students.

The LCFF provides added dollars (supplemental and concentration grants) for low-income students, English learners, and foster youth. The law eliminated all but a few categorical programs, shifting resource allocation authority to local school systems and requiring that local spending plans be developed with input from parents, community members, students, and educators. The law requires that the vision, plans, strategies, and expenditures be based on and organized around local goals, but with reference to and measurement of the eight state priorities. Districts are also charged with developing a Local Control Accountability Plan (LCAP). The LCAP, updated annually and approved by the local County Office of Education (COE), measures district progress based on multiple metrics. LEAs that are struggling or failing to achieve targets are offered support or intervention.

The LCFFRC’s first two LCFF implementation reports—*A Grand Vision: Early Implementation of California’s Local Control Accountability Formula* (October 2014) and *Two years of California’s Local Control Funding Formula: Time to Reaffirm the Grand Vision* (December 2015)—found widespread support for the shift toward local control as well as several ongoing challenges and unanswered questions. Many districts struggled to engage stakeholders meaningfully, and it was unclear what particular roles school board members and educators were playing. Some districts saw implementing LCFF and the Common Core State Standards (CCSS) simultaneously as competing policy priorities. Questions lingered about how resource allocation decisions were made and whether LCFF dollars were reaching targeted populations. The LCAP continued to be a challenge as districts confronted issues of clarity, transparency, and purpose. This third LCFFRC study delves more deeply into those areas that emerged from our previous research:

- 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?

As noted in Figure 1 above, the LCFF is meant to lead to more equitable outcomes and more coherent practices. Thus, we also examined LCFF implementation through these important lenses, adding a fourth research question:

- To what extent do LCFF planning and implementation activities reflect and advance equity and coherence?

The conception of equity embedded in the LCFF is based on the idea that fair and just treatment of students with greater academic needs requires the provision of additional resources. As Governor Brown said in his January 2013 State of the State speech:

..... 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.

We sought in this round of research to understand the extent to which planning, allocation of funds, and district LCFF implementation patterns drew on this conception of equity embedded in the policy as expressed by the Governor.

We also examined the ways in which LCFF promoted or detracted from strategic coherence in districts' improvement efforts. One important impetus for LCFF was the fragmentation that resulted from prior categorical programs and state regulation. The LCAP process and plan were intended both to catalyze and embody this coherence through a strategic planning and budgeting process centered on locally responsive approaches for improving outcomes for targeted students. To what extent do district LCAPs reflect this goal?

To gather data for this year's report, we conducted eight case studies, seven in traditional districts and one in a charter management organization.² Study sites represented statewide variation in geographic location, size, urbanicity, governance, and demographics. In Fall 2016, we completed 151 interviews with administrators, parents, community members, union leaders, and board members and examined a range of relevant documents, including LCAPs, district budgets, collectively bargained contracts, strategic plans, and school site plans. Based on analyses of these data we produced eight district case study memoranda and conducted a cross-case analysis to identify common themes and variation across the sites. (See Appendix A for a complete description of the research methodology.)

² For the ease of reporting we refer to all eight cases as districts, but urge readers to keep in mind that one is a CMO.

We recognize and acknowledge limitations of this research. The study included a small number of cases. Research was done before districts began using the revised LCAP template and before the new state accountability system was fully implemented. In addition, LCFF is one policy, albeit a significant one, on the state’s swiftly moving agenda. New curricula and assessments (part of CCSS implementation), still-evolving pre-service and in-service policies for teachers and administrators, and programs to implement California’s college and career readiness standards, to name a few, are intended to impact students’ opportunities to learn. Research limitations notwithstanding, this study of the third year of LCFF implementation provides a window on districts’ ongoing experiences with a wholly new form of finance and governance.

The next sections of this report describe our findings on stakeholder engagement, the interrelationship of the LCFF and Common Core, resource allocation, and the relationship of equity and coherence in our study districts. We conclude with a brief set of recommendations.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an essential component of LCFF. The statute and regulations require districts, at a minimum, to solicit input from representative groups (such as English learner and parent advisory groups) and recommends involvement of parents, students, and other stakeholders such as labor associations and individuals connected to the targeted student groups. The policy expects districts to solicit input on proposed actions and expenditures that will comprise the LCAP and ensure that LCAP-enunciated goals are in accord with the state’s eight priorities. Beyond requiring that districts hold a public hearing the law, while calling for “meaningful” engagement, does not define the term or specify how districts should structure the engagement process.

Three years into implementation, stakeholder engagement remains a work in progress. In particular, districts continue to struggle to interpret what “meaningful engagement” means in practice. Based on our earlier work, research this year was designed to gain a deeper understanding of LCFF-related stakeholder engagement³ efforts. We examined the following questions:

- Who was involved and what roles did individuals and groups play in LCAP development and revision?
- How were stakeholders involved and for what purpose?
- What was the extent of “meaningful” engagement in LCFF? In other words, to what extent are stakeholders active participants in decisions about resource allocation priorities and do decisions reflect their input?
- What factors facilitated or constrained engagement?

Parent Engagement Continues to Be the Focus; Strategies Shifting

We found that parents remained the central focus of LCFF stakeholder engagement. Moreover, we found that despite generally good faith efforts to engage parents in LCAP development, several of our study districts continued to struggle with relatively low levels of parent participation and difficulty attracting a broad demographic of parents to participate in substantive discussions about district goals and resource allocation priorities. This year our study districts acknowledged the challenge of engaging parents and several were trying new approaches.

³ For purposes of this study, stakeholder engagement primarily refers to engagement around LCAP development, revision, and review. We recognize that districts may engage community stakeholders in other efforts that extend beyond LCFF, but this was not the focus of our data collection. In two of our study districts we learned about broader efforts to engage community members in comprehensive strategic planning that began prior to LCFF and were distinct from LCAP development. While we reference these examples in our report and their relevance to LCFF, our primary focus here is on explicit efforts to involve individuals and groups in developing LCAPs and reviewing progress toward LCAP goals.

All of the eight case study districts continued to hold district-wide LCAP development meetings. These typically began with a presentation by district officials, often in multiple languages or including multi-language written materials, about district goals. Administrators gathered parent input about priorities for programs or services through small group discussions or “gallery walks.” Districts tried to accommodate parent needs by holding meetings in the evening and often providing food and child care. Despite these efforts, districts reported that these meetings typically were not well attended and tended to attract the same people to multiple meetings.

In an effort to engage more parents and engage them more deeply, two of our districts altered the focus of district-wide meetings from the LCAP allocation decisions, instead posing 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?” These meetings focused on broad district level conversations, and were coupled with school-based meetings that centered more closely on parent engagement around *school* resource allocation priorities.

Six of our study districts relied more heavily on district-wide committees, such as the District Advisory Committee (DAC) and District English Learner Advisory Committee (DELAC), both to provide ideas about resource allocation and to gather feedback from parents at schools, which then was transmitted to the district. For some district leaders, this approach reflected a conscious shift in focus from quantity to quality as they sought to engage individuals who more broadly represented local voices in more substantive discussions. At least one district provided specific training for DAC and DELAC members so they could more effectively perform this function. Another held combined DAC/DELAC meetings that paired parent school representatives with their respective principals. Interviewees told us that these meetings fostered “rich discussions” between parents and principals and helped parents better understand how the district-wide LCAP connected to and was being implemented at their child’s school.

Seven districts also used surveys to gather feedback from parents. Surveys typically were offered online and in paper format as well as in multiple appropriate languages. One district also mailed surveys home to parents. Survey content varied by district but generally attempted to assess what programs, services, and areas the district should prioritize.

As we discuss further below, four districts adopted more decentralized approaches to resource allocation, granting principals greater authority to allocate a portion of LCFF funds. These districts were also beginning to shift some engagement efforts to the school level. In addition, at the initiative of their districts, schools were beginning to employ informal approaches to gather parent input, such as “principal coffees” and one-on-one or small group chats between principals and parents. A newly hired superintendent in a rural district sought to build tighter relationships between the district and local businesses and city services and engaged parents by “piggybacking” LCAP development-type conversations with other community events, such as

family reading night, to incorporate engagement around fiscal priority setting with an activity that was more likely to draw in parents. This superintendent believed that informal approaches gave parents more authentic opportunities to engage around their children’s needs and interests. As one superintendent told us:

“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.”

While this is the third year of LCFF implementation, it is worth noting that the main focus of parent engagement remained LCAP development and revision. All districts reviewed their LCAPs to prepare the required annual updates, but five of the eight were not yet reporting progress toward achieving LCAP goals with parents (or other stakeholders). Two of our study districts that relied more heavily on strategic plans aligned with the LCAP presented counter-examples. One district reported updated results of district efforts in its Strategic Plan Annual Update. Another discussed data quarterly with teachers but did not make all of these data public. A third district wanted to begin this public review of progress, but did not feel adequately prepared to assess the results of LCAP investments (and in fact requested help from the research team).

The Roles of Other Stakeholder Groups Were More Variable Across Districts.

Compared with districts’ strong intent to involve parents, engagement efforts directed toward other stakeholders—educators, unions and associations, and students—tended to vary considerably.

Principals and teachers in seven of our districts were asked to participate in surveys and/or attend meetings. In the districts that were beginning to shift some resource allocation decisions to schools, principals were playing an active role in organizing school-based feedback from parents and educators around spending priorities. These school-based budget-creation efforts generally were the primary way in which teachers (as individuals, not through their organizations) were engaged in goal-setting and resource allocation decisions. While individual schools’ resource allocation decisions typically were not identifiable in the LCAP, they were part of the district’s comprehensive resource distribution decisions.

Teacher union engagement in LCAP development varied by district. On balance, we found that the nature of labor-management relations impacted the level of teacher engagement, though a more complete study of the multiple factors that influence labor-management relations would be necessary to say this conclusively. Some teacher union locals were quite significantly involved in LCAP development and shaping resource allocation; others were only minimally engaged.

In one of our districts with a history of positive labor-management relations, the union president sat on the superintendent’s cabinet and was involved in high-level decisions about goals, strategy, and funding distribution. In other study districts, union 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. Three of our districts described general labor-management tension around the LCAP and resource allocation. “The union wants all the money for salaries and class size reduction,” said one district administrator, “and doesn’t realize the limits of what we have.” In one of our study districts with a long history of extremely contentious labor-management relations the union refused to participate in the district’s engagement efforts and organized its own stakeholder engagement meetings.

Student engagement, too, varied by district. Six of our study districts made a point of soliciting student ideas as part of LCAP development. These districts used different strategies to gather student input; three used surveys, two used focus groups, and one used both. In one study district, the LCAP lead administrator met with student leaders from the high schools, hosted pizza lunch meetings with students, and held targeted focus groups of English learner and foster youth students. Two districts relied on a Superintendent’s Student Advisory Committee or Leadership Council to solicit student ideas.

Two Special Kinds of “Stakeholder” Groups

Two other kinds of groups—community-based organizations (CBOs) and school boards—were, potentially, important players in LCFF implementation.

Community-based Organizations typically are non-profit organizations that work in local communities on quality-of-life issues, from education to health care to the environment. In last year’s LCFF research, we found CBOs were active participants in several of our case study districts, often helping school districts to organize their local communities more effectively to engage a broader range of parents in LCAP development.

This year we found CBOs were actively involved in the LCAP process in only three of our study districts. One study site actively engaged an outside organization to provide professional development to administrators and teachers around issues of cultural competency and assist the district in developing strategies to increase levels of parent engagement. Advocacy CBOs were front and center in another study district. One of these organizations played a key role in the district’s decision to implement a restorative justice program and spearheaded an effort for student engagement in LCAP development. Another CBO pressured the district to pay more attention to services for the targeted student populations. In one of the rural study sites, local community agencies worked with the district to increase levels of parent engagement. Our remaining five study sites either did not have active CBOs or those that existed lacked capacity or interest to engage around LCAP development.

School boards are locally elected to set the direction of a school district. As such, they are legally required to approve the LCAP. In six of our study districts, we found little evidence that board members engaged in the LCAP process beyond simply approving the LCAP district staff developed.

In one district, board members believed that their visible or vocal involvement in LCAP development meetings would stymie public involvement. A Board member in another district noted that the Board had been involved with the superintendent in shaping initial LCAP goals but was not engaged beyond that. Noted this Board member, “We [the Board] are very supportive [of the LCAP] but not too hands-on.”

In two districts, Board members told us they trust district administrators to prepare the LCAP and see the Board’s job simply as adding “our stamp of approval.” Said one Board member when asked to describe Board involvement in LCAP development, “It’s not a big one. [The administration] tells us what they’re going to do.... I have infinite trust in them.” Said another, “I expect [the staff] to do the job we hire them to do. I have a lot of confidence in these people.”

Some Board members expressed confusion about LCFF/LCAP or remained unclear about the role of a district governing board in the LCAP. This sense of uncertainty sometimes was reinforced by district administration. As one district official told us about Board involvement in LCAP development, *“They want to be connected to something but they’re really not interested in all the minutiae because it’s not their job.”*

In most of our study districts, Board members were knowledgeable about the LCAP and received presentations on it from district staff during development and prior to approval. One of our districts adopted an entirely different approach. In that district, the superintendent made it a point to substantially involve the Board in LCAP development through six months of Board meetings that focused on budget development. Budget decisions then were reflected in the LCAP the Board approved.

District Responsiveness Provided Modest Evidence of Meaningful Engagement.

One indicator of “meaningful” engagement is that final decisions about resource allocation, programs, and priorities reflect stakeholder input. We saw emerging signs this year that districts were making efforts to be responsive to stakeholder input with some LCAP allocation choices being tied to stakeholder ideas and feedback. In seven of our eight districts, interviewees cited ideas that emerged from stakeholder engagement and found their way to LCAPs and implementation. These included the addition of classroom aides, intervention specialists, math coaches, counselors, staff or outside help to promote student social-emotional learning, parent education (computers, English), a college and career center, better methods for communicating with parents, and an afterschool tutoring program. The examples cited here

represent small portions of the total resources allocated, but they nevertheless provide evidence that engagement has resulted in some action, however limited.

Challenges to Engagement Persist.

New strategies were beginning to alter the engagement landscape, though challenges continued to persist. Several factors contributed to the ongoing challenges districts faced in engaging stakeholders around LCFF.

First, districts generally noted that the cumbersome and complex nature of the LCAP template compounded engagement challenges. We heard from interviewees this year, as we did in our previous two years of research, that the LCAP was “not a friendly document.” As a superintendent told us, “*The LCAP is a boring and tortuous document.*” Another district official noted:

“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?”

Second, much like our findings in the previous years, capacity gaps continued to challenge district engagement efforts. Limited district capacity mainly related to issues such as district and school officials’ difficulty communicating effectively with parents and other stakeholders and their lack of experience with LCFF and stakeholder engagement. As one experienced community organizer from a CBO explained:

“[Meaningful engagement means] ... having a relationship with parents. We use a one to one model. ...It really required outreaching, phone calls, prepping them for the meetings. ...The schools don’t really have the capacity, the staffing, to really do outreach like this.”

Rural study sites noted that they lacked both human and fiscal resources to take on this LCAP-specific work. The parent liaisons in these districts were focused on issues such as teaching parents to relate to their young children in developmentally appropriate ways. LCAP development, they argued, was beyond the scope of what they were able to do.

In seven of our districts, leaders believed that engaging a parent population, particularly parents connected with the students in the targeted populations who often have relatively low levels of education, presented a major challenge. One district administrator described the situation this way:

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

A parent in another district believed that parent engagement was hampered because most parents were uninformed:

I think that parents feel that LCFF and LCAP is just a bunch of political nonsense... They don't understand that it impacts their student and them. ...Sacramento [needs to make] it very clear, not in legislative talk.... Not every parent is college educated and understands what's being said.

Three districts were beginning to invest in initial 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. Several of our study districts were revising parent-centered LCFF materials in an effort to strip away the jargon.

As previously noted, some study districts were shifting the focus of district-wide meetings and devolving some decision-making to schools. One study site offered parents training to learn how to coordinate and lead other parents to become involved in setting school fiscal priorities.

Section Conclusion

Three years into the implementation of LCFF, stakeholder engagement continued to be a work in progress. Parents remained the primary target of engagement, with varied roles played by other stakeholders, including principals, teachers, employee organizations, and students. In general, school boards were surprisingly uninvolved in LCAP development.

At the time of our site visits, school districts were beginning to experiment with different strategies to facilitate more meaningful stakeholder engagement. These included changing the focus of district-wide meetings, relying more heavily on committees such as the DAC and DELAC, and more school-based outreach, communication, and decision-making. These efforts, though modest in terms of results, indicated the potential for deeper engagement down the road. As LCFF implementation continues, districts will need to continue to find creative ways to address the stakeholder engagement challenges of limited district and community capacity and inadequate tools.

COMMON CORE IMPLEMENTATION IN LCFF

The convergence of California’s two major reforms in education – implementation of the Common Core State Standards (CCSS) and the transformation of the school finance and governance system through the LCFF – has placed substantial demands on educators. Schools and districts need to make deep changes in the core of teaching and learning, while also engaging their stakeholders in a wholly new process of goal setting and resource allocation. Although the new state standards were adopted in 2010, several years before LCFF was passed, many districts did not start implementing them system-wide until as late as 2013 or even 2014. It was not until after the passage of LCFF that the State Board of Education (SBE) adopted the *Mathematics Framework* (November 2013) and *English Language Arts/English Language Development Framework* (2014)⁴ to guide local curriculum development. These frameworks were followed by the release of recommended instructional materials lists the following years. November 2015 saw SBE’s adoption of the K-8 English Language Arts instructional materials, as well as the first official administration of new summative assessments as part California’s membership in the Smarter Balanced Assessment Consortium.

The CCSS (including aligned assessments) and LCFF are thus being implemented across California at the very same time. Our investigation of how these two reforms are coming together (or not) in local districts focuses on the following two questions:

1. What role does CCSS implementation play in LCAP planning and allocations and how are LCFF allocations advancing CCSS implementation?
2. How are districts allocating resources to ensure that targeted students have access to standards-aligned instruction and instructional supports?

CCSS Implementation in LCFF Planning and Resource Allocation

Our analysis of district LCAPs and our interviews with stakeholders and leaders across the eight districts suggested three main patterns with respect to the integration of and attention to CCSS implementation in LCAP development.

The degree of centrality of CCSS implementation in the LCAP documents and processes varies widely across districts.

Districts vary significantly in the degree to which CCSS implementation plays a central and explicit role in the goals and strategies outlined in their LCAPs and discussed in interviews with district leaders, parents and other stakeholder groups. In three of the eight districts (two large

⁴ California Department of Education (2014). *English Language Arts/English Language Development Framework*. <http://www.cde.ca.gov/ci/rl/cf/elaeldfrmwrksbeadopted.asp>

urban school districts and one very small rural), standards implementation receives prominent attention in multiple aspects of the LCAP and was frequently identified by respondents as among the key goals and strategies. For example, one urban district opens their LCAP with an articulated “theory of action” that presents an aligned instructional system with the state standards as its heart and foundation. This same district identifies specific annual measurable outcomes related to teachers receiving professional development on the new curricula and curriculum adoption aligned to the standards. It even goes so far as to include a reference to CCSS standards design as a rationale for altering classroom configurations. Resource allocation in the LCAP reflects this centrality, with large sums targeted toward opportunities for professional learning related to the standards (including ELD) and supports to targeted students to provide access to and mastery of the standards. The other two districts in this grouping have similar explicit references to and allocations for standards implementation.

At the other end of the continuum are two districts (one rural and one large urban) with no to minimal explicit mention of the state standards in their LCAP. Interviews in these districts also indicated little connection between standards implementation and the LCAP and its development (including community engagement efforts). The other three districts fell somewhere between these two groups.

Across the districts, allocations for the adoption of core texts and materials were the most explicit reference to implementation of the standards.

At the time of data collection, CCSS implementation appeared to be addressed in the LCAP through the adoption and purchase of core and supplemental texts and materials in English Language Arts and Mathematics. This pattern is hardly surprising given that fully CCSS-aligned texts have only recently become available for review by the state’s Instructional Quality Commission, with local review and decision-making occurring thereafter. Adoption of these core texts in the case study districts seemed to occur a result of teacher input, with focused professional development around core materials. We expect that the prominence of materials adoptions in the LCAP was in large part an artifact of the timing of this round of data collection.

Professional development efforts around CCSS were evident in many of the LCAPs; however, these efforts appeared primarily as lists of activities (perhaps a result of the limits of the LCAP template) rather than an articulated approach to professional learning to support standards implementation.

The instructional shifts involved in the Common Core standards include a balance between interdisciplinary informational text and literature, an emphasis on close reading and text-based writing, incorporation of evidence-based arguments in both mathematics and ELA, and an emphasis on academic language and disciplinary discourse. These key shifts in ELA, literacy and mathematics content imply changes in pedagogy as well, including opportunities for student collaboration, for applying learning to real world problems, and for making cross-disciplinary

connections. All are likely to require learning on the part of teachers, principals, and other educational staff.

While six of the eight case study districts mentioned CCSS explicitly in their LCAPs, attention to the required instructional shifts was most evident in the two districts with the clearest and most well-defined approaches to professional learning (perhaps attributable in part to the fact that they were early adopters of the CCSS). In these two cases, articulated instructional plans or frameworks outlined professional learning goals and actions that connected teacher learning to curriculum, instruction, student performance, and assessment. With respect to resource allocation, professional development was coupled with more instructional support for classroom teachers through the addition of staff in the form of teachers on special assignment, teacher specialists, coaches, and/or administrators. These staff were to collaborate with classroom teachers to make the instructional shifts and provide support for their students. Although professional learning communities (PLC's) were mentioned in three of the districts, there were few specifics, other than the subject matter focus (e.g. math or ELA) regarding the intended PLC approach (e.g., inquiry-based, data-driven, pedagogy).

Most prominent across all districts were increases in the amount of time/number of days allocated for professional development. In some instances, these were differentiated by grade level, teacher experience, and/or subject matter. Indirectly, investments in Common Core implementation also included lower class sizes, extended instructional time and additional auxiliary staff, such as paraprofessionals. With the exception of the two previously mentioned cases, however, district administrators and LCAPs identified CCSS professional development predominantly as lists of activities rather than as discernible strategies around professional learning designed to support instructional shifts embedded in CCSS.⁵ Many of the professional development activities also listed consultants and/or professional development providers, workshop sessions, and conference attendance, as well as generally stated standards implementation days. This listing approach to professional development planning may in part be an artifact of the LCAP template design, which does not ask for either the larger strategy or rationale behind the required delineation of actions. Nonetheless, six of the eight districts made no reference to other plans that defined broader approaches to teacher professional learning.

CCSS-related Services for Targeted Students

In addition to general supports for CCSS implementation, some plans also included specific services to targeted students to increase their access to the standards.

⁵ State Superintendent Tom Torlakson's Task Force on Educator Excellence (Task Force). 2012. *Greatness by Design: Supporting Outstanding Teaching to Sustain a Golden State*. Sacramento: California Department of Education.

All districts placed some emphasis on incorporating specific interventions and extended learning opportunities for targeted students, but the degree to which these supports aligned with the Common Core was generally unclear.

All of the case study districts identified specific programs for interventions at the elementary and secondary levels, typically tutoring and after school programs. One small district extended the school days by 15 minutes in order to provide more instructional time. Another large urban district targeted its lowest performing elementary schools (61 percent of all elementary schools in the district), adding both 30 minutes to the school day and 10 additional professional development days.

At the secondary level, several districts invested in Advancement Via Individual Determination (AVID), and in a couple of instances, paid for the cost of advanced placement testing. Three case study districts placed greater emphasis on Career Technical Education (CTE) standards; however, these and other extended learning opportunities were not necessarily flagged as CCSS-aligned.

Districts were generally non-specific about *how* they would differentiate supports for CCSS implementation for English Learners.

Few case study districts called out EL-specific strategies regarding professional development, instructional approaches, or student interventions within CCSS implementation. Of the eight case study districts, 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.

Statements such as “all teachers are teachers of English Learners” were found in the other two district 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 track discrete information for the targeted students, such as course taking patterns and access to advanced placement. 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 were 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 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.⁶ This finding is consistent with the finding regarding the lack of articulated approaches for CCSS professional learning.

Section Conclusion

The data collected for this study have provided some insight into the two research questions identified at its outset. We found that the incorporation of standards implementation into the LCFF planning and budgeting processes varied widely across our eight districts. A few put the standards and instructional change at the core of their planning, but others approached the LCAP and their standards work as quite separate foci and processes. In such cases, neither parent and community engagement efforts nor the goals, activities, and expenditures associated with the LCAP highlighted the central role of instructional change for improving student outcomes or the role of the standards in guiding that change process. Across all districts, instructional materials adoptions and professional development appeared to be the main foci for CCSS-related budget allocations, and standards-related actions delineated in the LCAP appeared mainly as itemized lists rather than as components of an overall approach to shifting instructional practice. We found the same pattern with respect to actions directed explicitly to the targeted students: uneven and generally unspecified connections to the standards, and disconnected lists rather than an explicit *approach* to differentiated standards support. These findings, however, may largely be artifacts of the LCAP template and the timing of our visits. They may also reflect the vestiges of a compliance orientation to state policy that will take time to alter.

⁶ 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>.

RESOURCE ALLOCATION

As we noted in the Introduction of this report, the passage of the LCFF in 2013 marked the beginning of a new era of school finance in California. The LCFF installed the principle that equal funding is not equitable. In addition, by eliminating most categorical funding streams and moving decisions on how best to invest resources to close outcome gaps to the local level, the LCFF brought about a substantial change in governance. The law gave districts flexibility to make resource allocation decisions by eliminating nearly all categorical programs and provided increased dollars (supplemental and concentration grants) for added supports and services to the three targeted groups of students—low income, English learners, and foster youth.

In this section, we address the following research questions:

- 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

Districts have been implementing the LCFF during a time of rising revenues. Funding for K-14 education has increased by \$24.1 billion (51 percent) over the past five years. Districts with high numbers of targeted group students have seen even more dramatic increases in available revenues. For example, Los Angeles Unified School District has received more than \$4 billion in new revenues since LCFF was enacted.⁷ While the governor’s proposed 2017-18 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 2011-12.⁸

Despite rising education revenues, district officials assert that available state monies still are not sufficient to provide high-quality education for all students.

Despite these significant increases in education funding, education leaders in our case study sites were clear that their ability to achieve the vision of LCFF in providing additional services to address the additional needs of targeted students is hampered by inadequate funding. As one district official told us, “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.”

District officials reported that declining state revenue projections and the prospect of flattening annual LCFF allocations fueled cautious resource allocation decisions. While the budget

⁷ Fuller, Castillo, Lee, & Ugarte (2016). Will \$4 Billion in New Spending Make a Difference? Narrowing Achievement Gaps in Los Angeles. Berkeley, CA: University of California, Berkeley.

⁸ 2017-18 Governor’s Budget Summary (January 10, 2017).

forecasts may shift with the May revision, officials in our case study sites anticipate a slowdown in LCFF allocations in the immediate future.

The anticipated slowdown of revenue increases comes at a time when most of our case study districts are experiencing rising costs of retirement benefits, health care, and special education, along with some districts facing declining enrollments. Officials in all of our 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.

Table 1 illustrates the annual compounded increase in district contributions to the state retirement systems.

Table 1. Expected employer contribution rate changes from 2017–18 resulting from the progression of amortization bases

| Year | 2017–18 | 2018–19 | 2019–20 | 2020–21 | 2021–22 |
|-------------------------------|---------|---------|---------|---------|------------------|
| CalPERS increase ^a | 15.8% | 18.7% | 21.6% | 24.9% | 26.4% |
| CalSTRS increase ^b | 14.43% | 16.28% | 18.13% | 19.10% | n/a ^c |

^a The 2016-17 base rate LEAs are paying is 13.88 percent.

^b The 2016-17 base rate LEAs are paying is 12.58 percent.

^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 source: CalPERS actuarial circular letter: 200-04-17, retrieved from <https://www.calpers.ca.gov/docs/circular-letters/2017/200-004-17.pdf> ; CalSTRS 2014 funding plan, <http://www.calstrs.com/calstrs-2014-funding-plan>.

Officials in seven⁹ of our eight districts reported increasing special education expenses and inadequate funding for special education, resulting in encroachments on general fund revenues. For example, the CFO 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 our larger study districts, special education costs were \$60 million with an allocation of \$15 million.

⁹ 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.)

Officials in all eight districts 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.

Additionally, six of our eight case study districts are experiencing flat or declining enrollment and the accompanying leveling off or loss of revenue. Thus, as student counts decrease or level off, we found some districts shifting funding they had once directed to targeted groups to cover ongoing expenses instead. One of our declining enrollment districts lost 10 percent of its enrollment last 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.

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 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.

Districts have been implementing the first three years of LCFF, then, in the context of increasing revenues. Now, though, slowing revenues, declining enrollments, and rising costs have district officials concerned about the near future.

Resource Allocation and District Decision Making

As we reported in 2014 in *Toward a Grand Vision: Early Implementation of California's Local Control Funding Formula*, nearly all districts in that study 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 the central office and move to a more collaborative budget-making process. To varying degrees, the districts in our current research continued this practice. District officials described this important change in budget development as a cultural shift.

District offices determined how to allocate most resources though several case study districts allowed for some school site decision-making.

Most allocation decisions in our case study districts were made primarily by district officials. As we noted in the Stakeholder Engagement section, six of our eight districts allowed for some discretionary funds to be allocated at the school site level. However, 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 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 district budgets.

Two of our eight districts have tried to strike a balance in resource allocation authority between the district and its schools. In one case, the district allocates more than 90 percent of its supplemental funds to schools based on student demographics. Schools must demonstrate how their resource allocation decisions are consistent with district priorities, as spelled out in the district's strategic plan. School level resource allocation decisions are 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 current 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.

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..."

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 our case study districts the answer is mostly positive, though with some caveats.

Districts in our sample appear to be using their resources, for the most part, to support targeted student groups.

Our review of district LCAPs and analysis of interviews suggests that districts are making good faith efforts to allocate supplemental and concentration funds to the targeted student groups. Districts reported that they used base funds, supplemental funds, and concentration funds to hire counselors and social workers to serve low-income, EL, and foster youth. A majority of the districts in our sample added tutoring, engagement, and advanced placement programs for targeted student groups. Nearly all of our 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 in our sample 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. While it appears that most supplemental and concentration funds appear to be directed to supports for the targeted groups, we found some variation in district interpretations and practices.

Districts varied in their interpretation of what funds to include in the LCAP.

Among our case study districts, we found various interpretations about some of the basic tenets of the LCFF regarding resource allocation. In our first two studies of LCFF implementation, we found widespread confusion over which funds should be included in LCAPs. Our most recent set of case study districts suggests that the confusion continues despite attempts by the state to offer guidance. While we found only one district that restricted its LCAP to supplemental and concentration funds, we still 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) makes it extremely difficult to map expenditures on to the district budget and confirm which funds are actually included.

One of the eight case study districts took a sensible approach to what funds were included in their LCAP. This district reported most of its funds in its LCAP and included all funds that were used to meet the goals articulated in its strategic plan. As a result, the district's LCAP included a description of how it distributed resources to those schools with the largest concentration of targeted student groups. These schools received such resources as additional counselors, social workers, teachers, or administrators. As one district official explained, the LCAP included... "any funds that fit into the district's strategy."

Districts also varied in their interpretation of how supplemental and concentration dollars should be used.

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.”

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. One promise of the LCFF is to protect supports for the targeted groups during tight financial times, and such reclassification practices could undermine the intent of the law.

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.¹ Over three years, our case studies have included small districts from five counties. Small districts we have 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 S&C 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. Our 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.

While most of our 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. Our 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. Again this year, we 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 district LCAPs.

Section Conclusion

Nearly all district officials continued to view the LCFF favorably and greatly appreciate the influx of new funds. Interviewees in our case study districts reported a variety of advantages to the LCFF, especially the elimination of categoricals and increased flexibility in allocating funds. Most appreciated the increased attention to the targeted 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.

In the majority of our case study districts, the LCFF has led districts to change the way they make resource allocation decisions, though the bulk of those decisions 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 keep tabs on how districts are making allocation decisions in order to gain a better understanding about the conditions and circumstances that ensure positive outcomes for all students.

FULFILLING THE UNDERLYING INTENTS OF LCFF: EQUITY AND STRATEGIC COHERENCE IN LOCAL IMPLEMENTATION

The previous sections of this report have addressed specific aspects of LCFF implementation— stakeholder engagement, resource allocation, and integration of the Common Core standards into planning and budgeting. Here we draw on those findings to examine the two cross-cutting intents of the policy outlined earlier: 1) to ensure that all California students (particularly those from the three targeted groups) have an equal opportunity for success in school and beyond (equity), and 2) to remove the constraints of categorical regulation that fragmented local efforts under the old system, thereby enabling more locally responsive and strategically coherent actions on the part of districts (coherence).

Equity and LCFF

While LCFF itself does not include an explicit definition of equity, guidance from the California Department of Education’s (CDE) definition begins to clarify the equity intent of the law: *“Fair outcomes, treatment, and opportunities for all students... Teachers and school leaders ensure equity by recognizing, respecting, and attending to the diverse strengths and challenges of the students they serve. High-quality schools are able to differentiate instruction, services, and resource distribution to respond effectively to the diverse needs of their students, with the aim of ensuring that all students are able to learn and thrive.”*¹⁰ This definition of equity extends beyond resource allocation to actions that address diverse students’ needs in the hope of improved outcomes.

As noted earlier, we found examples of equity-related actions embedded in each of the three focal areas of this study. In the area of stakeholder engagement, for example, there were instances where districts sought greater participation, primarily from parents of targeted students. Participation was tempered, however, by the limited depth and meaningfulness of many of the engagement activities as well as by the extent to which those parents’ voices were heard and reflected in LCAPs. In the area of CCSS implementation, we noted that some districts had made it a point to target professional development and interventions to schools serving low-income and EL youth, and several districts also focused on materials that would provide greater access for ELs to the standards. In many cases, however, the nature of the supports for targeted students remained unspecified, particularly with respect to their connection to helping these students achieve state standards. Finally, with respect to resource allocation, we noted that most districts in our sample appeared to be making good faith efforts to use their supplemental and concentration grant funds to support the targeted students, but these efforts may have been attenuated both by some confusion about the law and by the perceived inadequacy of education funding overall relative to costs. Moreover, actions in a minority of the districts and expectations among some actors for how money should be spent differed significantly from the dominant pattern.

¹⁰ <http://www.cde.ca.gov/qs/ea/index.asp>

Our data suggest that underlying the substantial variation in districts' LCFF actions toward equity were differing conceptions of what equity means and how best to achieve it. In this section, we examine those underlying conceptions by analyzing LCAP and interview data based on the following question: *How do district stakeholders conceptualize and define equity for students?*

We found a predominant interpretation of equity across most study sites, as well as alternative interpretations in two sites.

Most districts held views on equity that were in accordance with the intent of the law: Equity as equal opportunity through differentiated supports.

Across six of our case study sites, and particularly in districts with large percentages of targeted students, LCFF is viewed as a mechanism to ensure equity by providing more opportunities for their underserved students. In these districts, LCFF funds were noted as essential in helping them close opportunity gaps between their district and more affluent districts with perceived lesser needs. In four case study districts with high numbers of targeted students, for example, interviewees noted that the additional funds supported their high needs student populations by increasing services for students. As one district administrator recounted in comparing funding across districts, *"I was principal here and in [a wealthier nearby district], and I saw the disparities—equity depends on where you were born. So without the supplemental and concentration funding, these kids would have nothing. They would get the bare bones education of core classes."*

With respect to within-district distribution of funds, these six case study districts showed a strong alignment with Governor Brown's vision of closing opportunity gaps by distributing greater resources to those with greater needs. For example, in one larger district, equity was promoted by providing more staff to schools with high numbers of targeted students. When the staffing formula went into effect, some low poverty schools lost assistant principals, and LCFF provided the rationale for the change. In this same district, additional support staff, such as coaches were added in to support instruction.

Similarly, a central office administrator in another much smaller district commented on the link between LCFF and services for students in greater need, noting, *"The equity thing has been helpful... [It] has allowed us to tie [funding] to specific actions and indicators."*

Across the districts, however, as indicated in the findings in the resource allocation section, there was also variance in the degree to which supplemental and concentration funds followed targeted students.

Alternative perspectives on equity in LCFF

In contrast to the predominant interpretation of equity in the majority of our case study sites, we found that two districts' approaches to LCFF implementation were predicated on quite different conceptions of what equity and fairness are all about.

Equity as *equal treatment for all students*

In contrast to the view of equity above, multiple administrators in one of the case study districts defined equity as the *same or equal treatment among students*. Although some supplemental and concentration funds were allocated to support targeted students, certain LCFF allocations covered all students and/or schools equally. For example, all students' SAT fees were paid for out of supplemental and concentration funds regardless of need because this was the "fair" thing to do. The goal in this district was to ensure resources are provided equally to all students, including those in wealthier neighborhoods, because those schools that do not receive Title I funds would otherwise be treated unfairly. The justification for paying the test fees for all students was not based on need, but rather on this principle of equal treatment. When asked what equity means, one administrator said: "*I like it to mean equal, as it says in the dictionary.*" In a further example, a middle school principal of a non-Title I school in this district explained:

It seems like reverse equity because the [more affluent schools are] not Title I, [yet] students are just as in need as students in [the low-income neighborhoods] and we have less resources to give to them. So in terms of equity, I feel like that is being balanced by giving more to the [more affluent schools] than has been done in the past, so that it can equalize itself.

Another principal was even more concrete:

So, I had mentioned that I'm not a Title I school, so I didn't have some of the supports or resources that Title I schools could purchase for themselves, such as an intervention person, or a music teacher, or a PE teacher, and now through the LCAP I have those things even though my site budget doesn't support it. It's supported through the LCFF.

Equity as *merit-based and efficiency-centered*

One of the case study districts defined the "fair" distribution of resources as providing resources to those students who would be most likely to benefit from them. Thus, for this district the best approach to reducing the opportunity gap with respect to college-going was to allocate more support in the form of college counseling, SAT-preparation and extra tutoring—but only to the top ten percent of high school students, who were deemed most likely to get in

to college. In this case, equity and efficiency were intertwined and were together operationalized as the differential allocation of more academic supports for the students in the college-bound track as a function of their perceived likelihood of college acceptance based on high school performance. This efficiency orientation also influenced the differential allocation of resources between college and non-college-bound students. Non-college going students reportedly participated in career pathways through courses such as automobile engineering and other vocational courses while opportunities for college access were provided to the most ‘eligible or meritorious’ students.

Towards greater clarity around equity in LCFF

These three contrasting perspectives on equity and fairness influenced the ways that the eight districts implemented LCFF, particularly with respect to services for targeted students. In the majority of our case study districts, a focus on equal *opportunity through differentiated supports* was very much at the core of their strategies. Three of the eight districts, for example, had defined both conceptually and pragmatically how equity could be achieved as a strategic goal, including a board-approved equity policy or an equity office that preceded LCFF. While the central finding indicated that the majority of districts’ interpretations are in line with the intent of LCFF, some of the alternative views outlined above (such as the equal treatment perspective or the efficiency perspective) seem at odds with the intent of the policy as defined by state policy makers.

We should note several additional observations with respect to these findings, however. First, we do not know from these eight cases how prevalent each of the views above – particular those observed in only one of the districts – is across the state. Second, while the perspectives described above were the dominant orientations in the respective districts, particular stakeholder groups within those districts may hold differing understandings of equity that also influence implementation. For example, in one of our districts with large numbers of both African American and Latino students, parent leaders from the District English Learner Advisory Committee (DELAC) explicitly advocated for the amount of resources and services to be based on subgroup enrollment within the district – that is, if the student population is 50 or 75 percent Latino, then the same specific percentage of funds should be proportionately devoted to Latino community needs. Challenged by past interracial conflicts and multiple groups with great needs, administrators in this district were seeking ways to work with all the relevant communities in order to avoid this “line item approach” to equity, where dollars are allocated along racial/ethnic lines. We should also note that in some districts, conceptions and approaches to equity were in flux, due to changing conditions and evolving discourse between district administrators and their communities.

Finally, timing and external conditions may also play a role in how respondents frame their understandings of equity. For example, while the interviews revealed some confusion and a variety of definitions of equity, few respondents explicitly incorporated student outcomes in

those definitions. This somewhat surprising pattern may be due to a combination of two factors: 1) the LCAP is primarily a means for allocating inputs, and a focus on inputs in discussions of equity in LCFF reflects this budgeting orientation; and 2) the District Dashboard had not yet been adopted at the time of our data collection. Nonetheless, it is important to keep in mind that achieving equity for California’s diverse student population must ultimately be connected to the cycle of accountability and continuous improvement, as suggested by the California Department of Education: “*Equity should be examined through indicators of equitable learning conditions and by disaggregating performance measures by student groups.*”¹¹ Greater clarity regarding equity should thus encompass both greater opportunities and better outcomes, particularly for targeted students. Additional guidance from the state, including the California Collaborative for Educational Excellence (CCEE), regarding equity in LCFF linking inputs to outcomes would benefit California’s students and schools.

Strategic Coherence and LCFF

The framers of the LCFF envisioned the policy not only as a means of ensuring greater equity but also as a vehicle for shifting away from the fragmented, regulatory compliance of the past and towards a more goal-based, locally responsive and coherent approach to strategic planning and budgeting. The demand for such a shift had come from both the research community¹² and from local practitioners.¹³ Prior sections of this report have explored various aspects of this shift in the three focal areas of the study. We noted that all study districts were working to engage their local stakeholders, particularly parents, and incorporate their input into a plan that was responsive to their needs and goals, though challenges remain. One challenge in attempts to increase local responsiveness may in fact be the difficulty of bringing together the different ideas raised by stakeholders into a coherent whole. Indeed, in the area of the Common Core, we noted a tendency toward unconnected lists of activities in LCAP documents and even in district interviews, perhaps suggesting a less-than-coherent approach to LCFF planning. Finally, in resource allocation we found generally good faith attempts to follow the intent of the law, but those attempts were hampered somewhat by confusion over the interpretation of certain requirements and inconsistencies between the LCAP template and outdated SAS codes and budgeting processes, again factors that might undermine coherence.

Perhaps most telling with respect to coherence is the fact that in each of these three arenas we noted one or two districts that seemed to take a more coherent approach to LCFF

¹¹ California Department of Education. (2016). *Preparing All Students for College, Career, Life, and Leadership in The 21st Century*. Sacramento.

¹² Loeb, S., Bryk, A & Hanushek, E. (2007) *Getting Down to Facts: School Finance and Governance in California, Summary*. Stanford, CA: Institute for Research on Education Policy & Practice.

¹³ District Practitioner Working Group, California Collaborative on District Reform: (2007). *The Importance of Systems Alignment: Developing a Coherent Approach to Educational Governance and Finance Reform in California*. Palo Alto, CA: California Collaborative on District Reform.

implementation. Those districts exhibited several characteristics commonly associated with strategic coherence:

- A set of articulated goals that were consistent across documents and respondents;
- Strategies and resource allocation decisions that were aligned to the goals by an articulated rationale; and
- Delineation and use of specified metrics to evaluate progress and refine or eliminate strategies as needed.

We now step back from the three individual arenas to consider the level of and processes for strategic coherence more generally across our set of districts in relation to LCFF. We use both interview and document data to address the following two questions:

1. To what extent do the districts as a whole reflect the characteristics of strategic coherence outlined above?
2. To what extent has LCFF in general and the LCAP process in particular facilitated greater strategic coherence in these districts?

Strategic Coherence in Case Study Districts

The case study districts varied significantly in their levels of overall strategic coherence, falling along a broad spectrum from high to low coherence.

High coherence: Three of the eight districts exhibited relatively high levels of coherence, particularly with respect to the first three dimensions. In one case, mentioned in earlier sections, the district had a pre-existing 5-year strategic plan, developed through broad community engagement, that was the basis for their LCAP. Alignment between the two plans was complete; the strategic direction for the district is based on an articulated rationale focused on improving the quality and consistency of teachers and instructional practice; and resources are aligned with both the goals and identified strategies. Two small rural districts also demonstrated a high level of coherence and used the LCAP as their LEA plan and budget. In all three cases, the LCAPs included both base and supplemental/concentration LCFF funds as well as other sources of funding.

Low coherence: At the other end of the spectrum are two districts that demonstrated relatively lower levels of coherence. One is small and rural like the two above, but in this case planning has been mainly reactive to immediate teacher shortages and high levels of turnover rather than longer-term strategy development. The other, a large urban district, had a pre-existing strategic plan like the large high-coherence district above, but in this case the LCAP and the strategic plan had little explicit connection to one another. Rather, the LCAP planning was started anew (despite prior broad-based community involvement in developing the strategic plan) and focused only on the supplemental and concentration funds (with a partial reporting

of federal funding sources). The connections between the LCAP goals and their associated actions were unclear to most interviewees and while district leaders, advocates and union members tended to refer to the goals and strategies of the strategic plan, parents referred to those of the LCAP.

Moderate coherence: In between these two ends of the spectrum were three districts with some evidence of coherence between goals and activities and among activities, varying levels of explicitness about their underlying rationales, and varying degrees to which the strategic direction seemed to have permeated the understanding and practice at the school level. In one large district, the district plan and rationales appeared coherent from the perspective of the central office, but significantly less from the perspective of school leaders.

These characterizations are not static, however, as we found evidence of movement toward greater coherence over time in several of the districts in the moderate and low categories. One manifestation of this movement occurred where districts with multiple planning documents “cross-walked” them to try to demonstrate connections. Development of these cross-walks came in response to stakeholder requests to understand how multiple plans related to one another. In addition, in at least one district the goals and organization of the LCAP for next year are being revamped to more closely reflect the district’s larger strategic plan.

Overall, the delineation of meaningful metrics and the use of data to monitor progress are not yet at the level that the LCFF framers envisioned.

Metrics that are directly aligned with goals and strategies, and are designed to assess progress related specifically to those goals and strategies, are essential contributors to continuous improvement processes. We observed a noticeable lack of reference to concrete data about either processes or outcomes in most of the interviews across our districts. Among our case study districts, we found just two districts with sophisticated data systems to inform resource allocation decisions. As the director of Human Resources in one district explained, “You win an argument here by figuring out what’s best for kids based on the data.” This district used fine-grained data to make resource allocation decisions. One of our study districts was able to disaggregate data by targeted groups, school level, and even down to the classroom. More than half of our districts, however, lacked data systems sophisticated enough to reveal outcomes for each of the targeted groups, school level outcomes for targeted students, or non-academic outcomes such as engagement, social and emotional well-being, and patterns of behaviors.

LCAPs almost universally included only student outcome data, and the assumed connections between those data and the delineated strategies and actions were unspecified. As a result, most districts are unable to attribute progress or lack thereof to the implemented strategies. This inability to assess impacts of specific allocations was raised by both district leaders and other stakeholders as a shortcoming of the planning process to date, and one that requires attention in moving to the next three-year plan. Some of these districts expressed the need to

develop more meaningful measures and to integrate data into their planning processes in a more targeted way.

There appear to be two contributors to districts showing seemingly slow progress toward strategic use of data. The first is that development of appropriate metrics and data systems requires internal capacity, both the ability to identify the likely intermediate and longer-term outcomes from a particular course of action and the necessary data and tools to measure those outcomes appropriately. Many districts lack those capacities. A second contributing factor is that at the time of our data collection districts were still awaiting state direction on appropriate measures. As the newly approved district dashboards are implemented, we may expect to see a greater emphasis on and more meaningful use of data for developing and revising strategies and resource allocations.

The Role of LCFF in Fostering Strategic Coherence

LCFF may have removed some barriers to coherence, but it did not itself appear to produce coherence.

In theory, LCFF affords districts the opportunity to form strategic plans based upon goals for their students rather than on funding parameters set by policymakers in Sacramento. Respondents in all eight districts acknowledged the benefits of having the flexibility to allocate monies to best meet the needs of their specific communities. In doing so, however, administrators noted two main obstacles to coherent planning. First, there continue to be substantial perceived restrictions on the use of supplemental and concentration funds, which attenuate the possible benefits of LCFF for creating coherence. These perceptions vary significantly by district. Second, some districts struggle to overcome long-standing categorical “mindsets” and structures. One CBO, for example, recounted the challenge of pushing back against interest groups in order to make the case for budget allocations that are “goal-based” rather than “based on last year.”

Only in two very small rural districts did LCFF appear to have been an important factor in helping to *create* coherence, and one of these gave equal credit to the high school’s WASC process for spurring district planning. In other districts, local conditions such as the presence of a strong visionary leader or a pre-existing strategic plan were the main contributing factors reported by respondents.

Perhaps more significantly, in several districts the LCAP template and processes were perceived as actually *undermining* coherence. For example, the template asks: “For each LCAP year, identify all annual actions to be performed and services provided to meet the described goal.” While it does allow for districts to describe “a group of services,” the template does not ask about larger strategies or for explanations or rationales of the delineated actions. We have already noted how districts generally responded to this requirement by including lists of

seemingly unconnected activities. In addition, the emphasis on compliance with the *form* of the template and the specified engagement process in some cases made it more difficult for a district to incorporate an existing strategic plan or align the LCAP with other required state and federal plans.

Approaching Coherence in the Next Round of LCAP Planning

As districts enter a new year of stakeholder engagement and planning they are applying what they have learned over the past three years to refine their approaches with respect to strategic coherence as well as in the specific domains of activity investigated in other sections of this report. Three trends emerged from our data in this regard. First, there appears to be growing attention to supporting greater coherence in planning at the school level. To this end, four of the eight districts were beginning to ask schools to align their Single Plans for Student Achievement with the LCAP. Over time, this may help to increase coherence between the central leadership and the sites. Second, districts are continuing to flesh out the development and use of metrics to assess the impact of their funding and improvement strategies. In doing so, they continue to grapple with challenges in developing both meaningful measures and systems that encourage their use for continuous improvement. Finally, we saw more nuanced attention to transparency in these districts. District respondents noted that they are seeing a need to make their plans—including the rationales for linking goals, strategies, and allocations—more transparent to their stakeholders, particularly parents and the broader public.

CONCLUSION AND POLICY RECOMMENDATIONS

After three years of implementation, the overall pattern we observe across case study sites is one of learning and evolution. Local actors are working hard, learning from what they have done, and making changes. While they remain generally supportive of the intent of LCFF and committed to improvement, there are several obstacles in the way of their collective efforts to achieve its goals. The policy recommendations below focus on reaffirming LCFF's underlying principles and ensuring that districts remain on the path envisioned by lawmakers. These recommendations are directed primarily to state policymakers, but acknowledge a critical role for multiple players at the state, regional, and local levels.

1. REDOUBLE EFFORTS TO CLARIFY AND COMMUNICATE INTENT OF THE LCFF

Our data demonstrate that enthusiasm for the principles of the LCFF remains strong. State policy makers should maintain their commitment to local decision-making, fiscal flexibility, and added resources for low-income and English Learner students and foster youth with the twin goals of achieving equity and creating coherence.

While the State Board and California Department of Education have made efforts to communicate with local actors and clarify the policy, our research indicates that not everyone is listening or fully understanding. As noted, we uncovered persistent misunderstandings and confusion around a few key issues: 1) appropriate uses of supplemental and concentration funds, 2) what funds to include in LCAPs, and 3) the intent of LCFF as it relates to equity and coherence. Although six of our eight cases understood LCFF as requiring unequal treatment and provision of additional resources to students with greater needs, in two cases this message was not clearly understood. Further, while LCFF intended for local administrators to move away from a compliance and regulatory mentality to one of strategic planning and budgeting, not all understood how to do this, and compliance mindsets will take time to change.

These findings suggest the need for more guidance and clarification. They also raise questions about communication between districts and CMOs, COEs, and the state. For example, COEs have responsibility for approving LCAPs and yet we found variation in both the guidance they provide and the extent to which they approve plans that may or may not be aligned with the intent of the policy.

- Toward this end, the State Board of Education, California Department of Education and other state agencies together with key statewide organizations, such as the California School Boards Association (CSBA), Association of California School Administrators (ACSA), California Charter School Association (CCSA), and the California County Superintendents Educational Services Association (CCSESA) should redouble their efforts to clarify the intent of the LCFF and the use of supplemental and concentration funds for districts, charter schools, and county offices.

- Further, the California Collaborative for Excellence in Education (CCEE) and/or other appropriate agencies should gather and disseminate examples of exemplary district, charter school, and county office of education practices that illustrate ways to meet successfully the intent of the LCFF. Examples might reflect exemplary implementation of a single component of the LCFF, such as stakeholder engagement or budget development, or might reflect more holistic implementation approaches.

We recognize, however, that even with increases in information and communication, more may be needed at the local level. As we discuss next, capacity-building efforts are needed in districts and communities to improve understanding and implementation of LCFF.

2. ENSURE LOCAL ACTORS HAVE THE CAPACITY TO REALIZE THE GOALS OF LCFF

LCFF is an ambitious policy that calls for significant change in local resource allocation and accountability practices. Although the policy shifts many decisions to districts, it does not abdicate the state's responsibility for supporting local actors and ensuring the conditions necessary for carrying out the goals of LCFF. As our research has demonstrated this year and in the past, local actors are in need of additional support and resources. The state should invest in understanding more deeply what capacities are needed to undertake the many activities required by LCFF in order to achieve its multiple goals, with attention to who should help build this capacity, how, and under what conditions. Here we offer a few suggestions to start this process.

Who Needs Capacity Building. First, the CCEE and other state or county agencies and statewide organizations, as appropriate, should invest in capacity building activities to support LCFF implementation in local education agencies, particularly those experiencing challenging circumstances. This might include small rural districts and COEs serving them, districts disproportionately impacted by teacher shortages, and districts grappling with declining enrollments (or other restricting local contextual issues).

Second, community members and organizations are equally important targets. There appears to be great need to build the political capacity of parents and citizens to engage in LCFF-related decision-making and planning. While some districts benefit from community-based organizations that are educating and mobilizing parents and citizens, there are many districts that lack such resources. The state should consider ways to build community capacity either through partnerships with existing local, regional, or statewide organizations or by coordinating efforts with foundations.

What Capacity Building Is Needed. As we have noted, equity and coherence are central to LCFF but are not self-actualizing. For example, several district administrators felt unable to adequately measure and monitor progress toward goals, and to develop the systems to house and analyze data in ways that might promote strategic coherence. While the new state

dashboard provides data on outcomes, district administrators may need help in connecting these outcome data with data on the inputs supported by LCFF.

The elements of LCFF examined in this study are also in need of targeted support. While districts and communities would benefit from information on exemplary implementation of a single component of the LCFF, such as stakeholder engagement or budget development, they may still need resources to build staff knowledge, skills, and abilities to undertake these efforts. As we have heard repeatedly over the years, district administrators are not always skilled in knowing how to communicate with and facilitate dialogue with the community. In terms of CCSS implementation, three districts had well-articulated plans, three districts made mention of standards in their LCAP, and two districts made little connection between standards implementation and the LCAP and its development. Thus, the majority of our districts could benefit from exposure to exemplary practice on the implementation of the CCSS and how LCFF can be used to support that implementation. Similarly, clarity and guidance on the intent of the law regarding resource allocation could benefit the majority of our districts.

Of course, any attempt to build capacity may run up against concerns about the inadequacy of overall funding raised by many participants in our study sites. We firmly believe that the state must address these broader funding issues – overall allocations and the rising costs of retirement benefits, health care, and special education – to fully realize the broader LCFF goals.

3. REVIEW EFFICACY OF NEW LCAP TEMPLATE AND ALLOW LOCAL EXPERIMENTATION WITH NEW TOOLS

Throughout this and previous reports, we have noted ways in which the LCAP template and process seem to work against achieving the underlying goals of the LCFF, both with respect to specific areas (such as resource allocation and engagement) and with respect to the more fundamental goals of equity and coherence. Overloading the LCAP document with multiple purposes has led to burdensome, confusing, imprecise and inaccessible documents as well as to a continuing emphasis on compliance to the detriment of strategic decision-making. The new district dashboard and the most recent iteration of the LCAP template may help to simplify and clarify the resulting plans somewhat, but careful analysis is needed in the coming year.

One conclusion is clear from our analysis: one document cannot achieve the multiple purposes currently assigned to the LCAP: 1) stakeholder engagement and communication, 2) strategic planning and budgeting, and 3) accountability for equity in both inputs and outcomes. To address this problem, we offer the following recommendations to improve the process through a phased approach:

Phase I. Collect and analyze data on the implementation of the new template, with particular attention to the ways in which it is facilitating or inhibiting fulfillment of the intent of the law and the core purposes currently ascribed to the LCAP.

At the same time, allow local districts, with the approval of their COE or the state, to develop alternative and innovative approaches to achieving the core purposes of the current LCAP. These alternative tools and processes should be developed through the engagement of local and state stakeholders along with technical advisors and should allow for the development of different tools to accomplish different purposes. For example, a district might use its LCAP to meet the purpose of strategic planning, while meeting the purpose of communication and engagement by creating an augmented executive summary of the LCAP or other tools in a variety of formats. Similarly, the district might meet the purpose of accountability by creating a separate document that illustrates how the district plan addresses each area of concern revealed by the district's dashboard.

Phase II. Charge the CCEE with assessing and certifying locally develop alternative tools.

Phase III. Allow local districts and their communities to select from a menu of certified tools that are most relevant to their particular contexts. In some cases, districts may opt to continue with the current template or combine it with one or more of the certified alternatives.

Such an approach may get us closer to effectively achieving the three purposes of the LCAP in ways that align with the spirit of local control and continuous improvement.

Final Reflections

Our data to date show that LEAs remain committed to the goals and strategies of the LCFF, that they are learning and adapting their practices with time. We also find that the state needs to redouble its efforts to clarify and communicate the intent of the LCFF, that many districts (including especially rural districts) will need more direct support from the state, and that alternatives to the current LCAP template should be encouraged. The LCFF remains a grand vision for the improvement of education in California, but tests the patience of policy makers who understandably look for results. Our main message to policy makers is stay the course, but take steps that will guide, support, and remove barriers to the realization of the vision.

APPENDIX A

Research Methodology

For this study, the research team collected data between September and November 2016. We reviewed a variety of documents related to LCFF implementation around the three primary topic areas—Stakeholder Engagement, Resource Allocation and Impact, and Common Core State Standards—as well as how those areas related to equity and coherence as described in the paper. We also reviewed 13 districts’ Local Control Accountability Plans (LCAPs) with a focus on the primary topic areas, including equity and coherence.

We collected data on of each of the three topic areas in a set of eight school systems (seven districts and one Charter Management Organization) across California. One district was a repeat; we also visited it in Year 2. To ensure our sample was reasonably representative of districts in the state, we selected for diversity of enrollment, geographic region, urbanicity, and proportions of unduplicated students. (Tables A-1 and A-2). We conducted 151 interviews of various kinds of stakeholders (Table A-3).

Table A-1 Enrollment in Case Districts

| Enrollment | Number of Case Districts |
|------------------|--------------------------|
| < 4,000 | 4 |
| 4,000 – 10,000 | 0 |
| 10,000 – 40,000 | 2 |
| 40,000 – 100,000 | 2 |
| > 100,000 | 0 |

Table A-2 Unduplicated Pupils in Case Districts

| Percentage of unduplicated pupils | Number of Case Districts YR 3 |
|-----------------------------------|-------------------------------|
| < 40% | 0 |
| 40% - 55% | 1 |
| 55% - 80% | 2 |
| 80% - 100% | 5 |

Table A-3 Interviews by Interviewee Type

| Respondent Type | Number of Interviews (2016) |
|-----------------------------------|-----------------------------|
| District Staff | 68 |
| School Board Member | 12 |
| Principal | 19 |
| Teacher | 9 |
| Union Member | 13 |
| Parent | 22 |
| Community Organizations | 8 |
| Total interviews conducted | 151 |

About

The Local Control Funding Formula Research Collaborative (LCFFRC) brings together a diverse set of policy experts who, since 2014, have been documenting implementation of the Local Control Funding Formula (LCFF), California's pathbreaking finance and governance system. Operating under the auspices of Policy Analysis for California Education (PACE), 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).

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