

# Making the Most of the Governor's Budget Proposal

## Recommendations for Aligning Reporting Requirements From the LCFF Test Kitchen

Policy and Practice Brief

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### About the LCFF Test Kitchen

The LCFF Test Kitchen is a joint project of the California Collaborative on District Reform, the California Collaborative for Educational Excellence, Pivot Learning, and WestEd. It is designed to foster innovation in local school districts as they implement LCFF. Beginning in 2017, the effort brought together design teams from three California districts—Azusa, Elk Grove, and Oceanside Unified School Districts—to develop solutions to challenges that had been identified in the LCAP development and implementation process. For more information on the project, see <https://lcfftestkitchen.org/>.

## Introduction

In the January 2019–20 State Budget Proposal, Governor Gavin Newsom introduced a K–12 education spending plan with an all-time high of \$80.7 billion dollars. The budget proposal makes significant investments in the Local Control Funding Formula (LCFF), special education, state preschool, and partial relief for pension liabilities. In addition, it includes a \$10 million investment to plan and develop a state-of-the-art longitudinal data system that would link “student information from early education providers, K–12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies” (Newsom, 2019, p. 41). The stated intent of the data system is to improve coordination across multiple, disparate data systems; improve collaboration between agencies; and collect relevant data on public education and its impact on workforce capacity.

Furthermore, the Governor rightly notes that districts<sup>1</sup> face multiple reporting and accountability requirements, which can overwhelm community members and impede their understanding of how local education agencies are using available resources to improve student outcomes. To improve this situation, the Governor proposed the following:

*To increase the meaningful engagement between communities and local educational agencies, the Budget proposes a \$350,000 one-time Proposition 98 General Fund to merge the Dashboard, the LCAP [Local Control and Accountability Plan] electronic template, and other school site and school district reporting tools (including the School Accountability Report Card) into a single web-based application to allow the public to access a single platform for this information, streamline these systems, and eliminate duplicative and outdated information.*

The Governor’s proposal provides an opportunity to improve the LCAP, streamline reporting requirements, and improve fiscal transparency. In doing so, the proposal could have a transformative impact on the state’s education system. School districts would have the opportunity to operate with greater coherence, while the reduced reporting burden could free time and energy to be redirected to matters of improved teaching and learning. At the same time, better informed community members could act as stronger partners in supporting effective practice and navigating persistent challenges.

Based on lessons learned through the LCFF Test Kitchen, we offer four recommendations in this brief for making the most of the Governor’s proposal.

## The LCAP as a Case of Poor Policy Design

One of the reporting mechanisms the Governor seeks to improve is the LCAP. The LCAP was designed as a vehicle through which districts are to articulate their goals, strategies designed to achieve those goals, and the allocation of resources to support those strategies. Although many local educators have become accustomed to the template and the process for completing it, challenges related to the LCAP process are well documented. Ongoing critiques continue to focus attention on the lack of financial transparency, meaningful stakeholder engagement, and all-around accessibility (see, for example, Chen & Hahnel, 2017; Koppich, Humphrey, & Marsh, 2015; and Blum & Knudson, 2016). Recent legislative solutions to the transparency issue, however, introduce nothing more than bells and whistles that are additive in nature:

- Assembly Bill (AB) 1808, the LCFF Budget Overview for Parents, provides a summary of all General

Fund revenue and expenditures, the portion of expenditures budgeted in the LCAP, as well as charts and graphs of budget and expenditure information as it relates to the LCAP.

- AB 1840 requires the State Board of Education to include additional summary tables in the LCAP that list and describe budgeted expenditures for each action, delineate actions specific to serving students targeted with additional LCFF funds, and differentiate between personnel and non-personnel expenditures.

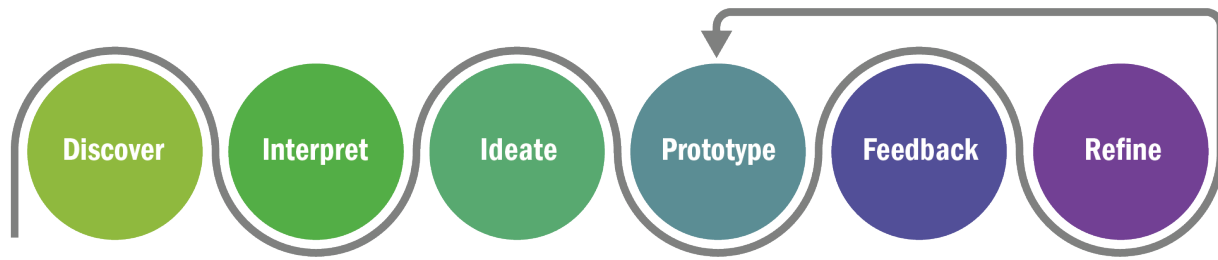
Neither of these solutions calls for evaluating or streamlining any of the information currently required within the LCAP. Moreover, neither bill attempts to align with other efforts to address concerns related to LCFF and the LCAP. By creating additional district reporting requirements without intentional efforts to align solutions, the products of these bills perpetuate some of the most fundamental flaws of the LCAP since its inception: the almost impenetrable length of the LCAP document itself and the accompanying burden on district leaders to meet additional reporting requirements.

## User-Centered Design as a Pathway to Improvement

Design thinking originally grew from the software sector. Educators, however, have been employing “user-centered design” more often in the last decade to solve key K–12 system challenges. This approach was the hallmark of the LCFF Test Kitchen project and provided three participating districts with meaningful solutions to challenges related to development and implementation of their LCAP (Knudson, 2019a).

The Design Thinking Cycle, as adapted by Pivot Learning, helped to guide innovations developed by those districts to respond to their local challenges

**Figure 1. The Pivot Learning Design Cycle**



(see Figure 1). The design process focuses on the experiences of an end user; the *Discover* and *Interpret* phases of the process seek to collect and analyze evidence about those experiences. The *Ideate* phase promotes out-of-the-box thinking that can spur more innovative approaches for progress. Finally, a repeated series of *Prototyping*, collecting *Feedback*, and *Refining* steps gives developers the opportunity to iteratively test possible solutions using evidence from the end-user experience, thereby improving solutions before the official release and widespread implementation of a new approach.

Each stage of the design cycle can also be used to support state policymakers in the development of a *single web-based reporting platform* that can serve multiple users. In doing so, design teams can create a product to meet the needs and interests of those people charged with understanding, assembling, and disseminating information. The designers can create space for innovation that breaks free of the narrowly defined constraints of existing policy. To achieve the promises of the Governor’s budget proposal, the organizers of the LCFF Test Kitchen offer four recommendations that emerged over the course of the project. The experiences of the participating districts and the lessons learned from the process can offer the state clear examples of how to best take advantage of the Governor’s proposal.

## Recommendations for an Approach to Design the K-12 Single Web-Based Reporting Platform

The Governor’s proposal could have a transformative impact on our education system. To achieve that impact, we offer the following recommendations:

### **Recommendation 1:** Articulate the goals and desired outcomes of a single web-based reporting platform to align reporting structures.

We fully support the development of a *single web-based reporting platform* that reduces reporting inefficiencies and improves a shared understanding about the efforts of districts and schools. Because members of the education community advocate for change with different goals in mind, however, they can often work at cross purposes under the false assumption that they are moving in the same direction. The success of an aligned, *single web-based reporting platform* depends on contributing individuals and organizations having a clear definition of what the tool is intended to accomplish (see Figure 2 on the next page).

As a first step, we recommend convening a multi-stakeholder, user-centered design team—including

**Figure 2. Terms and Definitions for User-Centered Design in the Context of a Single Web-Based Reporting Platform**

<b>Stakeholder</b>	An individual or group that has an interest in, or is concerned with, the goals and objectives of the <i>single web-based reporting tool</i> .
<b>End User</b>	The person(s) for whom a prototype such as the <i>single web-based reporting tool</i> is designed. End users can consist of individuals who input data and those who use data to inform decision making.
<b>Multi-Stakeholder, User-Centered Design Team</b>	A group of stakeholders and end users who work together using the design process to develop a prototype like the <i>single web-based reporting tool</i> . This group typically consists of six to 10 people.

education leaders, parents, community members, advocacy groups, and state legislators—to develop a mutual understanding of the goals and projected outcomes for aligning various reporting requirements, including the proposal for the statewide longitudinal database. This effort should leverage the lessons learned and the prototypes developed by the school districts that participated in the LCFF Test Kitchen (see Knudson, 2019a, and Knudson, 2019b). The school districts each designed prototypes to support their strategic and financial planning, assess the impact of resource allocations on student outcomes, and meaningfully engage their stakeholders. Each of the design teams can offer critical insights and lessons learned that can jump-start the end-user engagement process. The thoughtful planning and collective action in which these districts engaged can also provide a useful foundation for the design team in moving forward in the development of a reporting platform.

Upon articulating the goals for the reporting platform, state leaders should take proactive steps to clearly and consistently communicate the goals and desired outcomes of the platform to broader stakeholder groups within the education community, including

advocacy groups and the general public. Too often, important ideas languish in dark corners of websites and in extensive State Board of Education Minutes archives. If we hope for district leaders, community members, and others to contribute to the design process and to make the best use of the final product, a shared understanding of its purpose is essential. The workshops that the California Collaborative for Educational Excellence provides to district leaders could be one vehicle for developing the kind of engagement that can result in a shared understanding.

**Recommendation 2: Engage end users throughout the development process.**

We urge the state to employ a user-centered design approach to ensure that the platform development process actively involves those who will actually use it. California policy traditionally grows out of an insular process involving well-connected policy leaders who release a nearly finished product to a few stakeholders for feedback, followed by required statewide implementation. Traditionally, end users—those responsible for implementing the policy—have limited involvement in its design,

resulting in a product that often reflects an inadequate understanding of the potential impact and opportunities that exist for districts, schools, and charters.

Engaging a truly diverse set of stakeholders means defining a set of end users charged with completing the reporting requirements, as well as end users who make sense of the reports once they are generated. By incorporating the end users' perspectives throughout the process, these critical implementers are not merely providing input but are actually involved in the design of a system that can serve all end users. The end users would also test new ideas in their own contexts before finalizing and releasing a new system for statewide use. By engaging end users as codesigners throughout the process—not just seeking their opinions in isolated stakeholder input sessions—state leaders increase the probability of designing a reporting system that meets the needs of all stakeholders.

The California Department of Education is in the beginning stages of convening stakeholders to solicit their input for an LCAP template redesign in response to AB 1840. This engagement could be one aspect of an effort to incorporate the perspectives of people who actually enter or make sense of the information in an LCAP, provided that these users have opportunities to contribute in a meaningful and ongoing way.

### **Recommendation 3: Foster competition to generate an innovative, single web-based reporting platform design.**

At the heart of the Governor's proposal is a concrete product, a *single web-based reporting platform* to streamline the reporting requirements of school districts and charters. Rather than fall into the trap of identifying solutions only within the bounds of established policy practice, we encourage the Governor to embrace innovations that could

#### **The LCFF Test Kitchen**

The LCFF Test Kitchen is a joint project of the California Collaborative on District Reform, the California Collaborative for Educational Excellence, Pivot Learning, and WestEd. It is designed to foster innovation in local school districts as they implement LCFF. Prior to these recommendations, the LCFF Test Kitchen released three briefs describing the use of user-centered design to address key LCFF design and implementation challenges:

- **Fostering Innovation: How User-Centered Design Can Help Us Get the Local Control Funding Formula Right.** User-centered design offers an approach to addressing the flaws embedded in the LCAP template and the process that created it. This brief shares the results of a 3-day design sprint to generate new approaches to achieving the purposes of the LCAP.
- **Improving LCFF Implementation Through User-Centered Design: Year 1 of the LCFF Test Kitchen.** The LCFF Test Kitchen has enabled three school districts to make progress by leveraging the power of user-centered design. This brief describes Test Kitchen progress and the solutions it has generated.
- **User-Centered Design as a Pathway to Effective Policy: Lessons From the LCFF Test Kitchen.** This brief addresses a broader question underlying the LCFF Test Kitchen: To what extent can user-centered design help us address policy challenges? The brief identifies lessons learned over the first year of the Test Kitchen as well as implications for a different approach to education policy.

To access these briefs or learn more about the project, please visit <https://lcfftestkitchen.org/>.

maximize the potential of such a platform. We recommend that the \$350,000 funding laid out in the budget be used to establish a statewide competition in which innovators from technology and related design sectors compete to design prototypes for a *single web-based reporting platform*. Recognizing that California is a diverse state with 1,000 LEAs and 10,000 schools, we further recommend that the *single web-based reporting platform* be flexible to accommodate the range of district needs, size, and capacities across the state.

The proposed competition should operate in tandem with Recommendation 2. User-centered design is an approach that grew out of the technology sector, and most organizations that would choose to participate in the competition are likely to incorporate the end users' perspectives as part of their design process. As another way to incorporate the ideas of people who develop LCAPs and access the information they include from the engagement process in Recommendation 2 to serve as a set of criteria, or principles, that the *single web-based reporting platform* should meet. Participants in the competition would need to submit designs that satisfactorily address these criteria for design.

#### **Recommendation 4: Create structures and supports to build trust between school districts and their communities.**

The potential transition to a *single web-based reporting platform* comes amid calls for increased transparency—calls that emerge from an unfortunate lack of trust in local school districts. When community members do not believe that districts are acting in the best interest of students

or spending money responsibly, they seek extensive documentation for assurance. Simultaneously, these requests place an extreme burden on school districts in which they must reallocate time and resources away from the classroom to produce additional information to satisfy the uncertainty. This time and these resources could otherwise be directed in a more productive and collaborative way. Rather than pursue Band-Aid solutions that typically expand and often duplicate current reporting requirements, efforts to improve transparency in California should seek to address this underlying lack of trust within many communities.

Some members of the education community believe that the solution for transparency resides in revising the current Standardized Account Code Structure (SACS) outlined in the California School Accounting Manual. While revising the SACS may provide a solution to demonstrate how various sources of revenue flow from the state to LEAs, questions still remain about how LEAs allocate revenue at the district and site levels and how those revenue allocations contribute to student outcomes. One alternative to provide clarity could be to create resource codes that districts use to identify their portion of LCFF Supplemental or Concentration revenue, or revenues that contribute to increased or improved services.

It is important, however, to recognize that revised account codes alone will not resolve the underlying issues behind the call for transparency. Policymakers should pair any technical changes to school district reporting requirements with training to help stakeholders at all levels to better understand district plans, actions, resource allocations, and their relationships to improving student outcomes. As with the other recommendations, this process

should engage both state and local end users charged with using the codes.

In January 2019, assembly members successfully initiated a state audit on LCFF and the LCAP to identify and evaluate various elements of district LCAPs related to goal structure, measurements of success, and the allocation of funds—especially funds allocated to serve students from low-income families, English learners, and foster youth. The audit further requests a review of expenditures spanning multiple years to inform the legislature how funding and expenditures have changed under LCFF. The outcomes of this audit might help to illuminate the gaps in information—and even gaps in trust—in LCFF and the LCAP. Such information potentially can help to inform any steps to revise accounting codes and associated supports.

## Conclusion

California is a complex state with a remarkably diverse education system. Traditional approaches to policy development have often failed to reflect the diverse perspectives and needs of the district and community leaders whom the system is intended to serve. Too frequently, one-size-fits-all approaches developed in isolation from the lived experience of district leaders, teachers, parents, students, and other members of the school community have led to flawed solutions and widespread frustration. The LCFF Test Kitchen pursued a different approach to policy development and implementation and learned important lessons in the process. On the strength of those experiences, we recommend that the state engage a truly diverse set of stakeholders and end users from across California in the design and testing of solutions to develop a *single web-based reporting platform* that truly reflects the spirit and intention of the budget proposals. Through a process that values end users and fosters innovation, we not only can support but also can improve upon the Governor's proposal, thereby helping to create the conditions for continued progress in our schools and communities.

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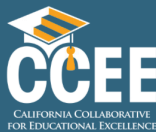
## NOTES

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1. The LCFF statute defines roles and responsibilities for local education agencies (LEAs), which are typically school districts but can include entities like independent charter schools or county offices of education. For the purposes of this brief, we use the terms district and LEA interchangeably.

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For more information about the California Collaborative for Educational Excellence, visit <http://ccee-ca.org/index.asp>.

For more information about Pivot Learning and its work, visit [www.pivotlearning.org](http://www.pivotlearning.org).

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