

What is the Local Control Funding Formula?

Welcome to the California State Board of Education's LCFF Channel. The video and audio downloads available on the LCFF Channel are designed to help the education community learn about how the Local Control Funding Formula works to support local implementation activities. The focus of this brief segment is to explain what the Local Control Funding Formula is.

In California the amount of state funding that goes to support K-14 education depends on the overall size of the state budget. The formula to determine K-14 education's share of California revenue is Proposition 98, which as a general rule of thumb results in approximately 40% of state revenues going towards K-14 education. The passage of Proposition 30 in 2012 increased state revenue, which helped increase funding for K-14 education.

Another way to think about this is that Proposition 98 determines the size of the K-14 education funding pie. Prior to the passage of the Local Control Funding Formula the state divided the pie into slices for local educational agencies—that includes districts, charter schools, and county offices of education— into two categories revenue limits and categorical programs. In effect, the state told local education agencies through the former funding formula how big their slice was and what the filling would be.

Now with the Local Control Funding the state slices the pie based on a relatively simple calculation, which funds local educational agencies the same amount per student with a handful of adjustments for grade levels and demographic characteristics such as low income students, English learners and foster youth. Also under the Local Control Funding Formula the state has largely handed over responsibility for determining the filling of each pie to local educational agencies. The expectation is that funding flexibility improves the ability of local educational agencies to meet student needs compared to the former system where the state tended to direct funding to specific activities.

A few important facts about LCFF to end with:

1. LCFF is California's new formula for determining the level of state funding provided to local educational agencies to provide for their state supported general and supplemental programs.
2. LCFF is designed to provide local educational agencies with flexibility to direct resources to meet student needs, increase funding transparency and aid in a simple explanation of how funding is provided and used locally, it supports equity through a student-focused formula, and focuses attention on



- performance through requiring that plans are in place to describe how resources are used prior to the passage of local educational agency budgets.
3. Implementation of LCFF will take time. At present the Department of Finance estimates that this process will take eight years, but if the economy grows faster this timeline may be shorter.
 4. However, implementation of LCFF begins with the 2013-14. Local educational agencies are now receiving funding based on a calculation for transitioning to LCFF. This means that local educational agencies have some increased funds in 2013-14 and are expected to begin developing the systems and structures to take advantage of the flexibility and meet accountability requirements.

The Local Control Funding Formula is a major change to how California has supported local educational agencies. Through the local control funding formula the state is providing new decision making power to local educational agencies to act based on the needs they see for students. In addition, this shifts California from treating funding as an input to support students to a resource that is linked to performance expectations.

Thank you for viewing this edition of the LCFF Channel's Implementation Insight. More information can be found at lff.wested.org and www.cde.ca.gov.