

Santa Clara County  Office of Education

Leadership Team Meeting  
Local Control Funding Formula  
County Offices of Education  
Business Services  
January 16, 2014  
3:00 PM

# Presentation Items

1. Overview of Governor's 2013-14 Budget
2. Programs Consolidated into Local Control Funding Formula
3. Local Control Funding Formula (LCFF) for County Offices of Education
4. Other LCFF Program Requirements
5. Areas of Concern with LCFF
6. Next Budget Study Committee Meetings

# Overview

- On Thursday, June 27<sup>th</sup>, 2013, Governor Jerry Brown signed the 2013-14 State Budget Bill (AB 110)
- On July 1, 2013, the K-12 Local Control Funding Formula (LCFF) and AB 97, the corresponding clean-up bill were signed into law
- LCFF completely changes the way revenue and categorical program funding is distributed to school districts and County Offices of Education (COEs)
- This update and presentation are based on the information that is currently available. However, there are still many unanswered questions.

# Overview

- LCFF replaces the existing revenue limit funding system and more than 40 categorical programs by consolidating them into one revenue stream on a permanent basis
- The plan calls for the state to allocate an estimated \$25B toward funding the LCFF over the next eight years (through 2020-21)
- The LCFF time frame for full implementation is eight years
- The 2013-14 Budget provides the following for the first-year implementation:
  - \$2.1B for School Districts and Charter Schools
  - \$32M for County Offices of Education

# Overview

- LEAs will receive roughly the same amount of funding they received in 2012-13 plus an additional amount each year to bridge the gap between the current funding levels and the new LCFF target levels
- Many areas of the LCFF are still being worked out

# Overview

**What would the SCCOE's 2013-14 estimated funding levels have been, if no LCFF?**

- The SCCOE's 2013-14 estimated funding level, which would have included Revenue Limit Funding, Tier III Programs and Categorical Programs, would have been approximately \$33.8 million

# Programs Consolidated Into LCFF

Administrator Training Program

Adult Education

Advance Placement Fee Reimbursement

Arts and Music Block Grant

Bilingual Teacher Training

California Association of Student Councils

California High School Exit Exam

California School Age Families Education

Center for Civic Education

Certificated Staff Mentoring

Charter School Categorical Block Grant

Class-size Reduction (K-3 and 9<sup>th</sup> Grade)

County Office of Education Fiscal Oversight

Community Based English Tutoring

Community Day School Additional Funding

Supplemental Instruction

Deferred Maintenance

Economic Impact Aid

Education Technology

Gifted and Talented Education

Instructional Materials Fund Realignment Program

International Baccalaureate

Math and Reading Professional Development

Math and Reading Professional Development-EL

Middle and High School Counseling

National Board Certification

New Charter Supplemental Categorical Block Grant

Oral Health

Peer Assistance and Review

Physical Education Teacher Incentive

Professional Development Block Grant

Pupil Retention Block Grant

Reader Services for Blind Teachers

Regional Occupational Centers/Programs (ROC/P)

School and Library Improvement Block Grant

School Safety (and Competitive) Block Grant

Small District/COE Bus Replacement

Teacher Credentialing Block Grant

Valenzuela County Oversight

Williams County Oversight

# 2013-14 SCCOE Programs Consolidated into LCFF

County Offices of Education Fiscal Oversight	89,095
Mathematics and Reading Professional Development Program	26,055
Mathematics and Reading Professional Development Program (English Learners)	16,032
School Apportionments Deferred Maintenance	757,700
Instructional Materials Block Grant	133,091
Staff Development - Bilingual Teacher Training Assistance Program	64,781
Staff Development - Teacher Peer Review	19,098
Teacher Incentives - National Board Certification	3,355
California High School Exit Examination Intensive Instruction and Services	146,277
Professional Development Block Grant	233,512
School and Library Improvement Block Grant	1,587
School Safety Consolidated Competitive Grant	362,532
Arts and Music Block Grant	37,271
County Office of Education for Williams Audits	116,444
County Office of Education for Valenzuela Oversight	39,239
Child Oral Health Assessments Program	7,752
School Safety Block Grant	19,316
Regional Occupational Centers and Programs (w/o excess taxes)	659,230
Community Day Schools	454,324
California Technology Assistance Project	722,671
Alternative Certification Program	106,665
<b><i>Economic Impact Aid *</i></b>	<b>52,889</b>
<b>Total Program Amount</b>	<b>4,068,916</b>

\* Not a Tier III Program



# LCFF for County Offices of Education



# Local Control Funding Formula – County Offices

Funding for County Offices of Education is a two-part formula:

- Unrestricted funding for general county office operations, distributed based on the total number of school districts in the county and the total ADA of all students in the county
- Per-ADA funding to support students attending community schools and juvenile court schools

LCFF is calculated in the following order:

- Base Grant – Regional Services
- Base Grant – Alternative Education
- Supplemental Grant
- Concentration Grant
- Add-ons to the formula
- Other Funding



# Local Control Funding Formula-County Offices

## Part I (estimate)

### Base Grant – Regional Services (3 categories)

	<u>SCCOE</u>
1) Base Operating Grant: \$655,920 per county office of education	\$0.7M
2) District Based Grant: \$109,320 per school district in the county	\$3.4M
3) ADA-Based Grant: Additional funding based on county-wide ADA (Excluding ROP and Adult Education ADA)	\$12.9M
▪ \$70 per ADA in counties with up to 30K ADA	
▪ Additional \$60 per ADA in counties with ADA between 30K to 60K	
▪ Additional \$50 per ADA in counties with ADA between 60K to 140K	
▪ Additional \$40 per ADA in counties with ADA above 140K	

### Base Grant – Alternative Education

▪ Approximately \$11K per ADA to support students attending community schools and juvenile court schools	\$5.3M
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# Local Control Funding Formula-County Offices

## Part II (estimate)

The Supplemental and Concentration Grants only applies to the SCCOE's Alternative Education students in Juvenile Court Schools and Community Day Schools.

- Supplemental Grant
  - Equal to 35% of the base grant for eligible students, which include English Language Learner (ELL), student eligible for free and reduced price meal, and foster youth (Unduplicated Count) SCCOE  
\$1.2M
- Concentration Grant
  - Equal to 35% of the base grant for eligible students (ELL, student eligible for free and reduced priced meal and foster youth) exceeding 50% of enrollment (Unduplicated Count) \$0.4M

# Local Control Funding Formula-County Offices

## Part III (estimate)

- Add-on
  - County Offices of Education that receive Transportation and Targeted Instructional Improvement Program funding will continue to have that funding capped at 2012-13 levels, as an addition to their LCFF base grant SCCOE  
\$1.0M
- Other Funding
  - Hold-Harmless language in LCFF allows basic aid districts and county offices of education to receive the same level of state aid as allocated in 2012-13 \$8.9M

2013-14 Projected Revenue Limit Funding	\$33,808,763
LCFF Funding Formula Grant Target	<u>\$24,923,806</u>
Hold Harmless Amount (from Excess Property Tax)	\$8,884,957

# Local Control Funding Formula-County Offices

▪ Pending Confirmation, Adjustments for Minimum State Aid	<u>SCCOE</u> \$5.0M
Categorical Programs Consolidated in LCFF	\$4,068,916
Transportation	\$ 977,663
Targeted Instructional Improvement Block Grant	<u>\$ 13,184</u>
Total Adjustment Pending Confirmation	\$5,059,763

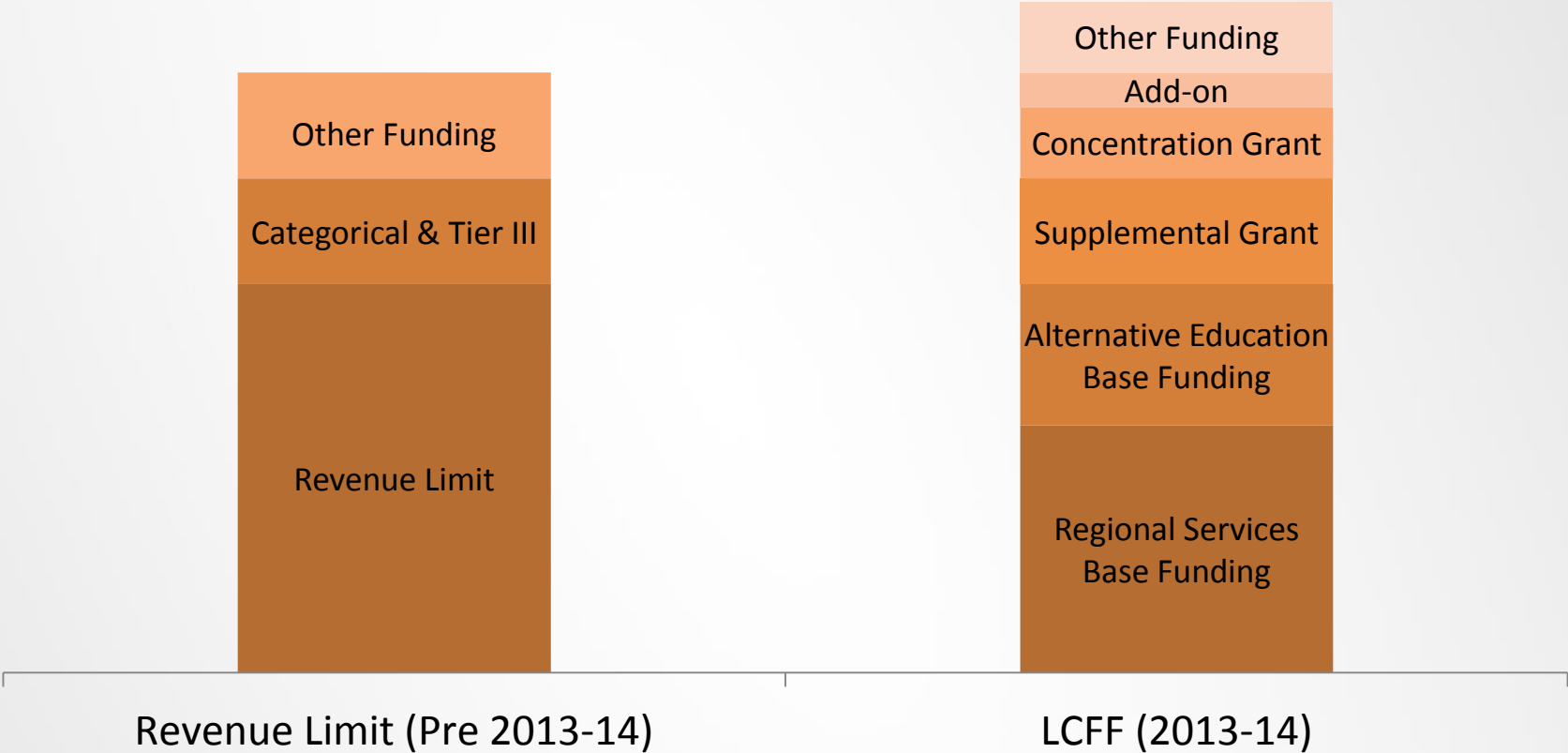
# Local Control Funding Formula-County Offices

## Summary

## SCCOE

Base Grant – Regional Services	\$17.0M
Base Grant – Alternative Education	\$5.3M
Supplemental Grant	\$1.2M
Concentration Grant	\$0.4M
Add-on	\$1.0M
Other Funding – Hold Harmless	<u>\$8.9M</u>
Subtotal	<b>\$33.8M</b>
<i>Other Funding – Minimum State Aid</i>	<u>\$5.0M</u> (Pending Confirmation)
Total Estimated Funding	<b>\$38.8M</b>

# Local Control Funding Formula-County Offices Revenue Limit vs. LCFF Funding



Note: The sections in the two Bar Graphs do not represent the actual ratios SCCOE receives.



# Other LCFF Program Requirements

- Transportation Requirement
  - Requires Transportation funds to be spent for the purposes of transporting students, with spending to be no less than what districts and COE's spent in fiscal year 2012-13. However, the funds now become unrestricted.
  - For 2013-14 and 2014-15 fiscal years only, COE's and school districts shall be required to maintain funding agreements between transportation joint powers agency and the contracting county Superintendent of Schools or school districts
- Regional Occupational Center (ROP) Requirement
  - Of the funds that school districts and County Offices of Education receive for purposes of ROP, they are required to maintain their 2012-13 level of spending for ROPs in 2013-14 and 2014-15 only

## Areas of Concern with LCFF

- Still many unknowns in the new LCFF
- No more statutory requirement on education funding
  - Future state funding is dependent on the economy
  - No estimated COLA
  - State determines how much to put toward LCFF each year
- Difficult to evaluate and compare Districts and COEs
  - Every COE and District funding will be unique
- Impact of district ADA on COE base funding
  - Declining enrollment in some districts
- Number of years to reach the targeted funding
  - New Governor in the future
  - Changes in the economy
  - Proposition 30

# Future Budget Study Committee Meetings

- January 24, 2014 Meeting
  - LCFF and LCAP Changes
  - LCFF Impact to School Districts in SCCOE
- March 21, 2014
  - LCFF and LCAP Changes
  - SCCOE Budget Development and LCAP Update
- May 23, 2014
  - May Revision LCFF and LCAP Changes
  - SCCOE Budget Development and LCAP Update