

## **What Makes LCFF Different (and Better) from Where We've Been?**

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 LCFF works to support local implementation activities. The focus of this brief segment is to explain what makes LCFF different – and better – from how California has approached providing state funding to local educational agencies.

The Local Control Funding Formula represents a major shift in how California funds local educational agencies. For nearly 40 years, California has relied on a system that included general purpose funding (known as revenue limits) and more than 50 tightly defined categorical programs to provide state funding to LEAs. Attempts have been made in the past decade to simplify the categorical programs structure, but this effort was limited, first to consolidation with modest flexibility, then to making a wide range of programs flexible without reforming the funding system.

Under the Local Control Funding Formula, most state categorical programs are eliminated and local educational agencies receive funding based on the demographic profile of the students they serve and are expected to meet enhanced accountability requirements. This change goes beyond modifying the math behind how California has provided funding to local educational agencies. Local control funding puts together support and incentives for thoughtful local decisions regarding how to best use funding to meet the needs of students. The big changes in thinking promoted by the local control funding formula are:

- a. The Local Control Funding Formula dramatically simplifies the way that the state funds local educational agencies. Our prior system resembled a Rube Goldberg like contraption comprised of many parts and turns to get funding to support students. This level of complexity made funding hard to understand, manage, and explain. The Local Control Funding Formula funds all local education agencies using the same formula. It starts with a base amount per student that's adjusted based on grade level and a handful of demographic characteristics.
- b. The Local Control Funding Formula replaces California's extensive and rather arcane collection of categorical programs with a more equitable formula for distributing state funding. Over the years categorical programs have grown to include specialized grants, competitive opportunities, entitlements, and a combination of one-time, multi-year, and ongoing funding streams. To a large degree history, circumstances, and luck determined the level of funding



received by a local educational agency prior to the Local Control Funding Formula. In addition to simplifying the method for calculating funding, the Local Control Funding Formula importantly clearly relates funding levels to student needs by providing more funding to local educational agencies based on the number and concentration of poverty, English Learners, and foster youth.

- c. The Local Control Funding Formula is performance focused. A key provision of the Local Control Funding Formula is that local educational agencies must have in place Local Control Accountability Plans that clearly show the relationship between state priorities oriented towards student outcomes and how state funding contributed to student success.
- d. The Local Control Funding Formula is student-focused. The Local Control funding Formula places flexibility in the hand of local educational agencies with an expectation of improved outcomes for students across a variety of measures. Student need should drive funding use in a way that fits local contexts.

The Local Control Funding Formula changes the way the state calculates and provides funding to local educational agencies as a means to change the way local educational agencies and the state operate to better support outcomes for students. Achieving the goal of improved outcomes requires local thinking that is very different than the system we have come from, which is daunting, but exciting opportunity.

Thank you for viewing this edition of the LCFF Channel's Implementation Insight. More information can be found at [lcff.wested.org](http://lcff.wested.org) and [www.cde.ca.gov](http://www.cde.ca.gov).