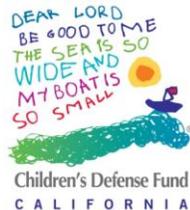
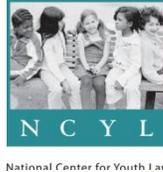


Center for Leadership Equity And Research





November 6, 2013

Mike Kirst, President  
California State Board of Education  
1430 N Street, Suite 5111  
Sacramento, CA 95814

**Re: SBE November 2013 Agenda Item #13 - LCFF**

Dear President Kirst:

Many of us were privileged to work in collaboration with you on two historic changes – the passage of Proposition 30 and the Local Control Funding Formula (LCFF). In both cases, California’s most underserved communities made their voices heard in unprecedented numbers and confronted the defenders of the status quo. When Governor Brown stated in January of this year that “equal treatment for children in unequal situations is not justice,” we cheered. For the first time in California history, a Governor had the courage to speak a truth that our children and families have lived with for decades. More importantly, we believed him when he said that LCFF would correct these historic inequities in our districts and schools.

However, over the last five months, our faith has been shaken. Throughout the development of LCFF, we were repeatedly assured by the Governor’s staff that the new funding model would contain the elements necessary to truly correct local inequalities and create the deep public engagement of parents and community members necessary to make local control meaningful. These included (1) strong assurances that the supplemental and concentration grant funding would primarily benefit low-income students, foster youth, and English Learners in their schools; (2) the financial transparency required to assure the public that LCFF dollars were benefitting high-need students; and (3) the conditions necessary to foster the authentic engagement of parents, students, and community members in the development of Local Control and Accountability Plans (LCAPs) and district budgets.

The legislature ensured that provisions establishing these priorities were fixed in the final LCFF statute with implementation details delegated to the State Board of Education. This included the law’s requirement that Local Education Agencies (LEAs) “increase or improve services for unduplicated [high need] pupils in proportion to the increase in funds apportioned on the basis of the number and concentration of unduplicated pupils.”

In refining the meaning of this and other critical language through the regulatory process, we hoped that the State Board would model the broad and inclusive process it would expect to see at the local level in the implementation of LCFF. To the disappointment of many of the organizations signing this letter, the Board’s stakeholder process did not reflect the racial, ethnic, and linguistic diversity of California’s schools and communities. Instead, the process was disproportionately weighted toward feedback from Sacramento-based interest groups who represent adults working inside the public school system and who have sought the loosest possible interpretation of the language of the law.

Even more disappointing are the draft spending regulations submitted to the Board for review on November 7, 2013 (see the agenda item's Attachment #1). These proposed regulations would do little to correct the historical inequities decried by our Governor and Dr. Kirst in his 2008 paper on reforming California's school finance system. They could, in fact, exacerbate them. Rather than ensuring that the LCFF funds generated by high-need students are "spent wisely by local districts to boost performance especially among the neediest students and schools" (Kirst, Bersin, and Liu, 2008), these funds could be used to offset LEA costs in other areas and underwrite the educational programs of non-needy students.

There are four specific areas of concern related to these spending regulations:

1. First, the proposed regulations make no distinction between the core services provided to every student through the base grant and the types of supplemental services supported by supplemental and concentration funding. As a result, school districts will be free to play an unfortunate shell game. They could spend their base funding disproportionately on non-needy students, spend their supplemental and concentration dollars to provide high-need students with basic services such as their classroom teachers, and never provide them with any additional services such as reading supports, counselors, or professional development for teachers to address their unique educational needs. To prevent this result, the regulations should clarify that LEAs must proportionally spend their base funding on high-need students as required by the statute. Otherwise, our neediest students and their parents will not see any real changes in their schools.
2. Second, it makes no sense to offer LEAs three different options to prove that they are providing more or better services to high-need students by spending more on those services. Rather, the first two options—"spend more" and "provide more"—should be consolidated into a single requirement. Doing so is both consistent with the statute and avoids undermining LCFF's promise of proportionate service increases for high-need students. By itself, the "provide more" option creates a significant loophole. "Provide more" would allow LEAs to satisfy the law's requirements by providing any additional level of new services for high need students, no matter how insignificant or far below the supplemental and concentration funding levels they receive. Districts that receive tens of millions of dollars to support the needs of low-income students, English Learners, and foster youth should not be allowed to spend just pennies of those dollars on their educational needs.
3. Third, the "achieve more" option is not a demonstration of the "expenditure of funds" required by the law and should not be conflated with the expenditure regulations. This option simply has no connection to any proportionate increase in services for high-need students. Under the "achieve more" example provided in Attachment #1, page 4 of your agenda materials, a district could provide NO additional services to high-need students such as foster youth if it increased reading results by one point in the preceding two years and deemed this "significant." The district could then spend all of its supplemental or concentration dollars entirely on non-needy students, salaries, or central office expenditures without any real consequence. The promise to achieve more rightly belongs in the Local Control and Accountability Plan, not the spending regulations. Indeed, the overarching LCFF statutory structure establishes that high-need students will "achieve more" as the result of LEAs working with their communities to establish goals within the eight state priority areas and then both "providing" and "spending" more on high-need students.
4. Fourth, there is no instruction to districts on how to implement school-wide and district-wide expenditures of funding, leaving it up to LEAs to define this for themselves. This is one more giant loophole that could result in school districts diluting LCFF funding without increasing services for the needy students who

generated those funds. This could be especially harmful in districts with “two sides of the track” where the funding generated by students in low-income schools is transferred to higher wealth schools and district-level expenditures unrelated to services for high-need students.

In addition to the concerns listed above regarding the spending regulations, we also have deep concerns about the proposed LCAP template and its relationship to authentic parent and community involvement in local decision-making. As currently drafted, the LCAP template fails to provide LEAs with the guidance necessary to ensure financial transparency or that the data used in establishing local goals is fully accessible to parents and the public for accountability purposes. It similarly fails to provide guidance to districts on processes and practices to elicit the input of diverse stakeholders, particularly those who have historically not been part of local decision-making. At a minimum, the LCAP should include (1) clear information on both district funding and expenditures; (2) easy access to the underlying data used to establish district-level goals; and (3) disaggregation of data and goals by school and subgroup in order to assess the impact of district actions and strategies on individual schools and groups of students. The LCFF statute calls for nothing less. Moreover, this level of information and the inclusion of basic requirements for public engagement such as language translation are critical to engaging parents and communities as ongoing partners in the Local Control and Accountability Plan processes.

From the very beginning, we believed in Governor Brown’s and Dr. Kirst’s commitment to LCFF as a historic and transformative achievement that could fix the inequities we see every day in our districts and schools. The proposed regulations have shaken that faith.

Leadership can survive many challenges but not the loss of faith in its veracity. In the coming months, the State Board of Education has the power to align the rhetoric of economic and social justice used to promote LCFF with the reality of implementation. We call on you to reject these proposed regulations and request changes, such as those offered above, in order to ensure that children in unequal situations truly benefit from the promise of Local Control Funding Formula. We stand ready to work with you in those efforts.

Sincerely,

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Maisie Chin,	Executive Director,	CADRE
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