

Making Equity the Foundation of LA Unified Budgeting



PARTNERSHIP
FOR LOS ANGELES SCHOOLS

policy
brief

March, 2017





about the
PARTNERSHIP FOR LOS ANGELES SCHOOLS
and this **POLICY BRIEF**

The Partnership for Los Angeles Schools is a non-profit supporting school transformation in Los Angeles. The Partnership's network includes 19 Los Angeles Unified School District (LA Unified) schools in Boyle Heights, South LA, and Watts, serving over 15,000 students. Our transformation model combines rigorous and innovative instructional leadership programs with authentic community partnerships and family engagement to transform district public schools and lead system-wide reforms. As part of this work, we advocate for more equitable policies to better support high-need schools and communities.

The content of this paper is based on our extensive experience working with school-site budgets and advocating for policies that will support schools in communities that have been historically underserved. As school managers, we hope that the experience reflected in this paper and the proposed policy changes will spark further conversation about how districts fund their highest-need schools, and specifically how LA Unified can distribute its budget in a more equitable manner.

The paper relies on independent research as well as our experience and conversations with LA Unified's budget office, other district and school staff, administrators, parents and students. In addition, this paper is influenced by the reports prepared by Communities for Los Angeles Student Success (CLASS) Coalition and United Way of Greater Los Angeles, and specifically the June 2015 report entitled "Implementing the Local Control Funding Formula (LCFF): Steps Taken by LA Unified in Year Two, 2014-15" and the June 2016 Annual Local Control Funding Formula Report Card. The Partnership thanks all those who took the time to discuss these important issues, and in particular LA Unified's budget office, the Advancement Project, Community Coalition, InnerCity Struggle, CLASS and United Way for their critical contribution to understanding LA Unified budgets after the passage of LCFF.

This brief is part of a series of Partnership briefs addressing critical education policy issues. This series is made possible by the generous support of the Weingart Foundation.

MAKING EQUITY THE FOUNDATION OF LA UNIFIED BUDGETING



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I. SUMMARY

Los Angeles Unified School District (“LA Unified”) has developed an index to rank schools according to student need. However, the list of schools identified as the “highest-need” on this index does not align with the schools that practitioners consider to be LA Unified’s highest-need once academic outcomes, school safety, and other measures of community resources and challenges are included in the analysis. Moreover, a school’s ranking on this index plays very little role in determining its funding. In 2016-17, only \$19.3 million was allocated to schools based on their rank on the need index, which amounts to less than one quarter of one percent of LA Unified’s total operating budget.¹

Instead, most of the money allocated to schools comes in a “norm” allocation that is based primarily on enrollment and grade level.² This norm allocation, which includes a standard allotment of teaching, administrative, and other staff positions, constitutes a majority of the funding that each school receives. And, because of relatively low per capita spending levels on K-12 education in California, the norm allocation provided to schools lacks many supports that are essential for schools serving high-need populations. This means almost no resources to support student health needs, no intervention supports for struggling students, and almost no additional discretionary dollars for any purchases beyond the most basic supplies.

Even with federal Title I funding (designed to support low-income students) and other supplemental funding, a small to mid-sized school serving approximately 400-600 high-need students (a common size for many elementary

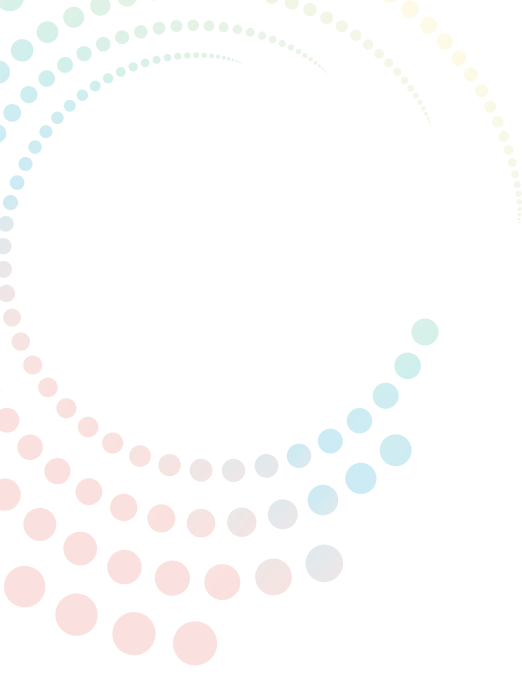


schools) may have only approximately \$500,000 over which it has meaningful discretion. These are typically the only funds with which it can fill the gaps in the norm allocation described above. This means these funds must be used to simultaneously meet the school's social-emotional and health needs, provide enrichment such as arts or elective programming, and purchase virtually everything else needed to drive academic achievement -- including supplemental professional development for teachers, intervention services, instructional materials, technology and software licenses, instructional coaches, assistant principals and coordinators (all of which typically cost between \$100,000-150,000 per position).

Fortunately, circumstances have aligned to create an opportunity for LA Unified to dramatically improve the way it budgets several hundred million dollars of annual funding that the State provides for the express purpose of supporting high-need students. Allocating these funds to schools more equitably would have an immediate and life-changing impact on thousands of high-need students and create a viable path to make equity the foundation of the LA Unified budget.

To accomplish this goal, this policy brief makes two recommendations. First, LA Unified should revise its student need index to more accurately identify its highest-need schools. The current index consists of a simple formula based solely on student demographics and fails to accurately differentiate between varying levels of need across LA Unified. This methodology could be improved by analyzing additional factors, as was done in the student need index prepared by Advancement Project in close collaboration with Community Coalition and Inner City Struggle (e.g., school-based factors such as student achievement and dropout rates, as well as neighborhood conditions such as exposure to violence and health). Second, LA Unified should use this revised student need index as the basis for allocating an increasingly large proportion of its budget, beginning with any new funds that are distributed in the 2016-17 school year.

The alternative is clear – without a reconsideration of how LA Unified funds its highest-need schools, these schools will continue to struggle to support their students' brightest opportunities.



II. BACKGROUND

a) School Funding - Local Control Funding Formula Implementation in California

The story of funding for public schools in California is long and dramatic, filled with lawsuits, propositions approved and rejected, sudden depressions followed by slow recoveries, and dramatic interventions by the California Supreme Court.

The latest chapter in school funding began in 2013 with the passage of the Local Control Funding Formula (LCFF). In the decades following the passage of Proposition 13 in 1978, funding for schools in California has overwhelmingly come from state revenues, rather than local taxes. LCFF made two critical changes to the formula that the State used to allocate funding to school districts: first, LCFF funds districts more equitably based on student need, and second, LCFF devolves more budgetary discretion to districts and schools. The student groups that LCFF targets to receive additional allocations (i.e., the “Targeted Student Population”, or “TSP”³) are low-income students (those who qualify for free or reduced price lunch, or “FRL”), English language learners (“EL”), and foster youth. However, LCFF, by itself, did not result in a major increase in the amount of funding that California provided for K-12 education. In fact, California still ranks among the lowest spending states on a per capita level, spending \$10,139 per student in 2014-15, which ranks 42nd among all states after adjusting for differences in the cost of living.⁴

Under LCFF, each district’s funding level is established through base, supplemental, and concentration grants determined by the district’s enrollment and demographics. The “base grant” is provided for all students in a district. In addition, the State provides a “supplemental grant” for all students that fall within the TSP categories described above. Lastly, an additional “concentration grant” is provided for

the number of TSP students exceeding 55% in a district. In 2016-17, LA Unified's total spending for supplemental and concentration grants designed to support TSP students is budgeted at \$870 million.⁵

It is important to note that funds from the supplemental and concentration grants are directly generated by - and intended to support - students that fall within one of the TSP categories. LCFF requires that a district "increase or improve services for [TSP] pupils in proportion to the increase in funds apportioned on the basis of the number and concentration of [TSP] pupils in the school district," which is referred to as the "proportionality requirement."⁶

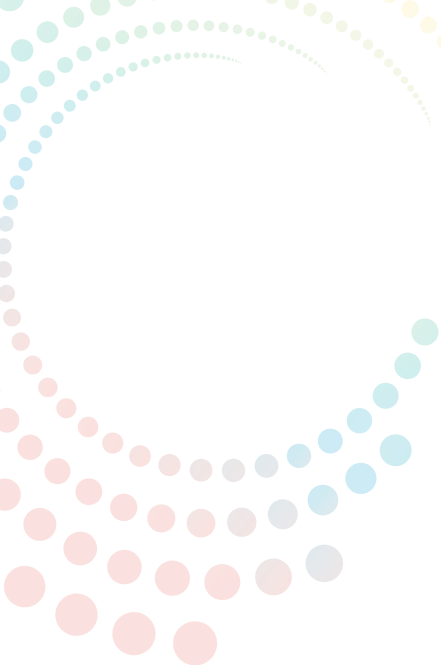
In order to ensure transparency and accountability, each district is tasked with creating and annually updating a Local Control Accountability Plan (LCAP), which incorporates community and family input and is intended to demonstrate (a) how LCFF funds will be allocated to address each of the State's priority areas, and (b) how such funds will drive achievement for all students as well as the State's targeted student populations.

b) LA Unified Implementation of LCFF

As LCFF was being signed into law in Sacramento, in Los Angeles many community groups were advocating for LA Unified to similarly update its budgeting methodology to reflect LCFF's equity goals, and specifically to provide additional resources to schools serving the district's highest-need students. On June 10, 2014, these efforts resulted in the Equity is Justice Resolution, mandating that LA Unified construct and adopt an equity-based student need index and then use that index as the foundation for the distribution of funds to schools.

The Equity is Justice Resolution was informed by an analysis conducted by a national civil rights organization, the the Advancement Project, in close collaboration with Community Coalition of South Los Angeles and Inner City Struggle, which produced a multivariable research-based ranking system to assess need in LA Unified schools, referred to in this paper as the Advancement Project Student Need Index. In addition to assessing how many TSP students enrolled at a given school, the Advancement Project Student Need Index measured neighborhood conditions,





including exposure to violence, access to community resources such as youth programming and early care and education, and health outcomes. Further, this index included measures of student achievement as well as suspensions, expulsions and dropout rates.⁷

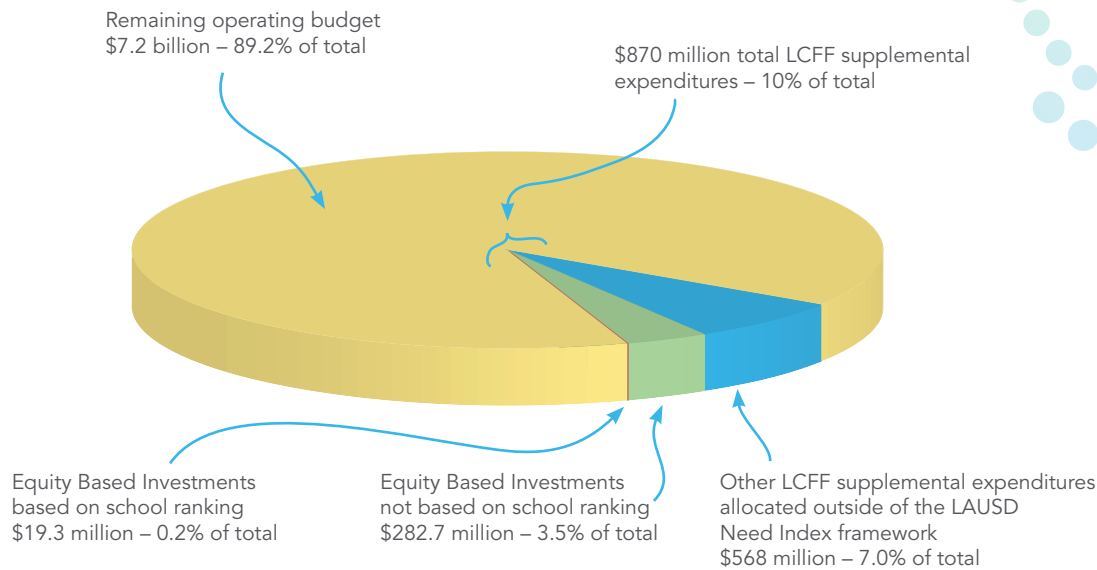
Rather than adopting the Advancement Project Student Need Index, LA Unified developed and adopted an alternative need index (“LAUSD Need Index”).⁸ Although LA Unified and stakeholders anticipated that the LAUSD Need Index and Advancement Project Student Need Index would produce substantially the same results,⁹ this has not been the case. Instead, as discussed in more detail below, the results of the LAUSD Need Index and the Advancement Project Student Need Index diverge significantly. For example, Florence Griffith Joyner Elementary and Woodcrest Elementary, considered by the Advancement Project Student Need Index to be the two highest-need elementary schools in LA Unified, do not even rank in the top 100 highest-need elementary schools on the LAUSD Need Index.¹⁰

Compounding this problem, LA Unified has utilized the LAUSD Need Index as a tool to make funding allocations to schools for only a very small amount of its overall budget. In 2016-17, the operating budget for LA Unified was \$8.4 billion.¹¹ Roughly \$1.12 billion of funding was attributable to the LCFF supplemental and concentration grants, and of these funds LA Unified budgeted \$870 million toward services specifically for TSP students.¹²

Of this \$870 million, LA Unified identified \$302.8 million allocated across 16 programs as “Equity Based Investments” on the LAUSD Need Index.¹³ As discussed in more detail in Section B.2, our analysis indicates that only \$19.3 million of these funds was allocated to schools based on their rank on the LAUSD Need Index in 2016-17 (See Figure 1).

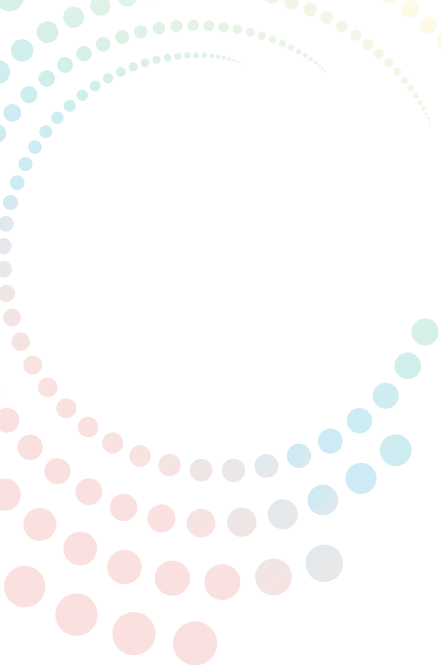
The remaining supplemental expenditures not reflected on the LAUSD Need Index were allocated to a variety of priorities outside of the LAUSD Need Index framework.¹⁴

Figure 1: 2016-17 LA Unified Operating Budget \$8.4 billion



As a result of these challenges with the LAUSD Need Index, the promise of the Equity is Justice Resolution remains largely unfulfilled. However, recent events have made the coming months a critical time period that will likely determine LA Unified’s budgeting methodology for high-need schools for many years to come. Prompted by a lawsuit brought by the ACLU and Public Advocates on behalf of the Community Coalition of South Los Angeles against LA Unified (referred to as *Frias v. LAUSD*), the California Department of Education (CDE) recently ruled that LA Unified must revise the calculations it made to determine whether it has spent a sufficient amount on supports targeting TSP students.¹⁵ Based on some estimates, LA Unified may be obligated to reallocate and spend up to an additional \$380 million on high-need students in the coming school years.¹⁶ Furthermore, the *Frias v. LAUSD* lawsuit is still pending, and may lead to future rulings requiring LA Unified to make more immediate changes to its budget methodology or even to “repay” schools serving high-need students for funds that were not allocated to these students in prior years.

In response to the CDE ruling, LA Unified has held a \$245 million line item in the 2016-17 budget as “undetermined” until it decides how to allocate these funds.¹⁷ In this context, it is urgently important to revise the LAUSD Need Index and use it as the foundation for these critical budget decisions, as was intended by the Equity is Justice Resolution.



III. IMPROVING THE LAUSD NEED INDEX

The Equity is Justice Resolution and the creation of the LAUSD Need Index are important steps toward a reorientation of the way that LA Unified approaches budgeting to prioritize our city’s highest-need students. Unfortunately, because the current LAUSD Need Index is too simplified to accurately distinguish between schools, and because the LAUSD Need Index has not been used to govern a significant portion of the LA Unified budget, in its current form the LAUSD Need Index is not an effective tool to support equitable funding for schools. In fact, most of LA Unified’s highest-need schools actually receive less of the Equity Based Investments on a per-student basis than many schools serving less impacted communities. Reflecting this point, 117 elementary schools, 48 middle schools and 69 high schools received more Equity Based Investments on a per student basis than the number one highest-need school at each level on the Advancement Project Student Need Index (see Figure 2).

In order to accomplish the original vision of the Equity is Justice Resolution, the methodology used to develop the LAUSD Need Index needs to be improved so that it accurately identifies schools serving the highest concentration of student need. However, this is only the first step — the revised index must also be used to guide funding decisions and provide more funding to these schools.

a) The Methodology Used To Develop the LAUSD Need Index Should Be Improved

The LAUSD Need Index uses a formula to determine need, ranking schools by the number of students who fall into the TSP categories described above (with the addition of homeless youth as a fourth category).¹⁸ The LAUSD Need Index also counts students that fall into multiple categories multiple times. This results in a “duplicated



percentage,” which determines each school’s rank on the index and is based on each school’s three-year rolling average.¹⁹ Schools with the highest average duplicated percentage over a three-year period are thus determined to be LA Unified’s highest-need schools according to the LAUSD Need Index.

Figure 2: Equity Based Investments Per Student

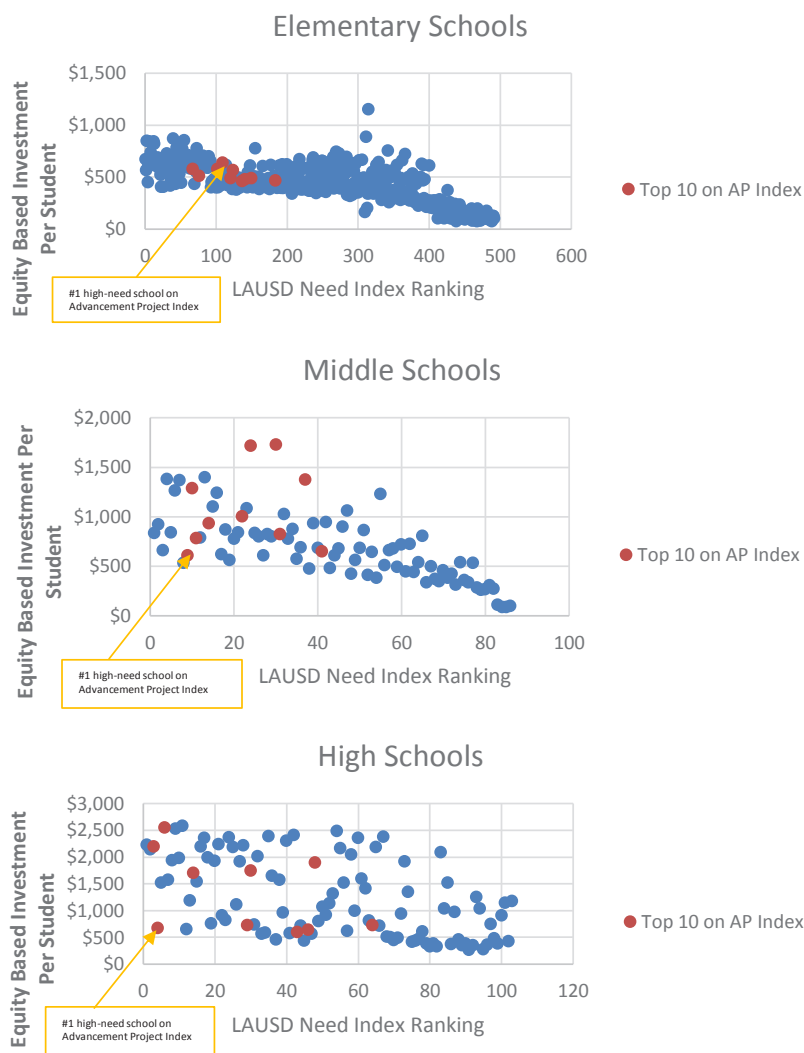


Figure 2 illustrates that there are dozens of schools receiving more Equity Based Investments on a per student basis than many of the highest-need schools on the Advancement Project Student Need Index (represented with the red dots).

In addition, if one focuses only on the LAUSD Need Index ranking (blue dots), there is an inconsistent relationship between a school’s rank on the index and the amount of Equity Based Investment received per student, with many lower ranked schools receiving more funding per student than higher ranked schools.



Unfortunately, the rankings produced by the LAUSD Need Index do not conform to what experts and practitioners recognize as LA Unified’s highest-need schools, particularly at the elementary school level. One reason for this result is that the LAUSD Need Index uses only one broad indicator of poverty (qualification for federal free and reduced lunch) that does not provide a differentiated assessment of the challenges and resources present in a given community. The cutoff to qualify for free lunch or reduced lunch is 130% and 185% of the poverty line, respectively; for a family of four, this equates to approximately \$32,000 for free lunch and \$45,000 for reduced lunch.²⁰ While both free and reduced lunch thresholds certainly indicate a high level of need, there is a large difference between a community with a median income of approximately \$35,000 (e.g., Hollywood) and a median income of approximately \$25,000 (e.g., Watts), which is not fully captured by the LAUSD Need Index.²¹ Academics who have studied this issue have declared that FRL status is a “crude yardstick for economic hardship.”²³

The inability of the Free and Reduced Lunch (FRL) rate to adequately distinguish between schools is compounded in Los Angeles. Approximately 75% of LA Unified students qualify for FRL status,²³ and our analysis indicates that in 2015-16 more than 300 schools had FRL rates at 90% or above.²⁴ This challenge of differentiating between schools when overall rates of need are high districtwide also applies to the second TSP criteria – the proportion of English language learners. In 2016-17, there are 212 LA Unified schools which have 40% or more of their students classified as English language learners, which is almost twice the statewide average of 22% in 2015-16.²⁵

The remaining variables tracked by the LAUSD Need Index – the number of foster and homeless youth – suffer from the opposite problem, as there are too few of these students at a school to significantly influence a school’s ranking when compared to the number of low-income students or English language learners. In



2015-16 there were 7,427 LA Unified students in foster care across the entire district, compared to an overall enrollment of more than 500,000 students.²⁷

Given this context, the LAUSD Need Index can be improved by including indicators beyond the number of students in each of the TSP categories. As a point of comparison, the Advancement Project Student Need Index also assesses neighborhood conditions, such as exposure to violence, access to community resources such as youth programming and early care and education, and health outcomes, in addition to school-based factors such as student achievement, suspensions, expulsions and dropout rates. As a result, the Advancement Project Student Need Index more effectively identifies schools that experts and practitioners recognize as the highest-need.²⁷ This is supported by proficiency data, as the schools in the top 10 of the Advancement Project Student Need Index have math and English Language Arts (ELA) proficiency rates far below LA Unified averages:

School Level	Advancement Project "Top 10" at or above standard on Smarter Balanced Assessment Consortium test (SBAC)	LA Unified average at or above standard on Smarter Balanced Assessment Consortium test (SBAC)
Elementary School ELA	21%	37%
Elementary School Math	15%	32%
Middle School ELA	16%	37%
Middle School Math	10%	26%
High School ELA	45%	55%
High School Math	21%	24%

In contrast, the LAUSD Need Index rankings do not show a strong relationship with schoolwide proficiency levels in math and ELA on the SBAC. For example, the ten elementary schools with the lowest proficiency rates in 2015-16 are not identified among the 100 highest-need elementary schools in the district, and half of these schools are not even within the top 200 highest-need schools (see Figure 3). In fact, the elementary school with the lowest math and ELA proficiency rates



in LA Unified in 2015-16 (La Salle Street Elementary School) is ranked as the 293rd highest-need school on the LAUSD Need Index.

Figure 3: LAUSD Need Index rank for 20 lowest performing elementary schools on SBAC

School	2015-16 ELA % Standard Met/ Exceeded	2015-16 MATH % Standard Met/Exceeded	LAUSD Need Index Rank
La Salle Ave. El	2%	5%	293
109th St. El	8%	8%	116
West Athens El	8%	6%	206
Miller El	9%	7%	109
YES Academy	9%	7%	145
59th St. El	10%	6%	269
Annalee Ave. El	10%	8%	376
Century Park El	11%	14%	326
Barton Hill El	12%	9%	166
Mack El	12%	12%	165
Grape St. El	13%	10%	111
112th St. El	13%	13%	32
49th St. El	13%	13%	58
Aragon Ave. El	14%	16%	104
Compton Ave. El	14%	15%	53
Raymond Ave. El	14%	5%	225
Van Nuys El	14%	14%	74
Weigand Ave. El	14%	10%	39
Griffith Joyner El	15%	17%	102
Alta Loma El	15%	16%	188

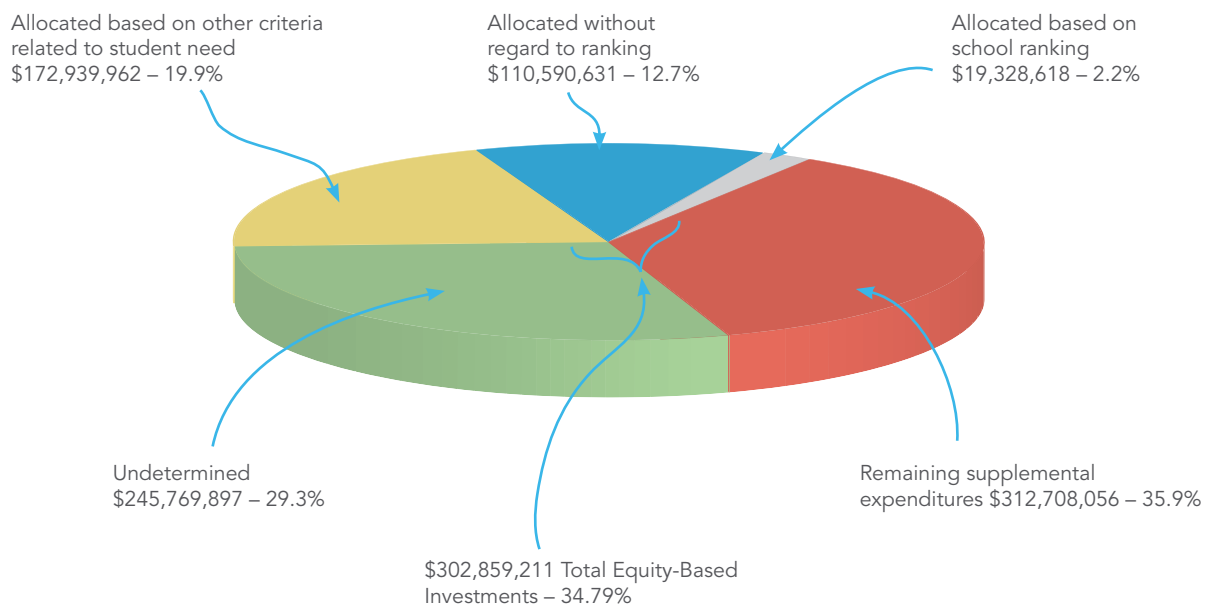
The unfortunate conclusion is that communities in Los Angeles that are among the highest-need by virtually any metric are underrepresented at the top of the LAUSD Need Index. For example, there is only one elementary school from LA Unified’s Local District South (which

encompasses Watts) ranked in the top 25 of the LAUSD Need Index. Similarly, LA Unified’s Local District East (which encompasses East Los Angeles) has only three elementary schools that fall within the top 50 on the LAUSD Need Index.

b) A Revised LAUSD Need Index Should Be Used to Guide a Larger Portion of the Budget

Based on our analysis of the \$302.8 million of Equity Based Investments reflected on the LAUSD Need Index in 2016-17, there are only three allocations, totaling approximately \$19.3 million, in which a school’s rank on the LAUSD Need Index determined whether the school received the allocation: the assignment of an additional classroom teacher to the 81 highest ranked elementary schools on the index (a total investment of \$9.2 million), the allocation of a clerical position to approximately 75% of high schools (a total investment of \$5.2 million), and the provision of a librarian to approximately the top half of middle schools on the index (a total investment of \$4.9 million).²⁸ As highlighted in Figure 4, this amounts to approximately 2.2% of the \$870 million in supplemental expenditures budgeted in 2016-17 (and, as referenced in Figure 1, less than one quarter of one percent of the total operating budget).

Figure 4: 2016-17 LCFF Supplemental Expenditures \$870,577,826





The remaining \$283.5 million of the Equity Based Investments on the LAUSD Need Index that was not differentiated based on a school's index ranking can be divided into two categories:

- \$110.6 million of positions and programs uniformly allocated to schools or based on criteria unrelated to need such as enrollment
 - All elementary schools received a library aide position
 - All secondary schools received an elective teacher position
 - Virtually all high schools received an equal allocation of additional custodial services
 - Math and ELA class size reduction funding was allocated without evident relationship to rank on the LAUSD Need Index; for example, the top 8 highest-need middle schools on the LAUSD Need Index each received \$35,580, whereas \$71,700 was allocated to the lowest-need middle school on the LAUSD Need Index (Paul Revere Middle School)
 - A significant number of schools received funding for half of an Assistant Principal position and/or a counselor position without evident relationship to rank on the LAUSD Need Index; for example, schools at the very bottom of the index received the Assistant Principal funding (e.g., a school with a 9% duplicated rate), while schools at the top of the need index did not (e.g., several schools with duplicated rates above 185%)
 - Many schools at the top of the LAUSD Need Index received the same or a smaller arts allocation than schools at the bottom of the index; for example, both Esperanza Elementary School (the highest-need elementary school on the LAUSD Need Index) and

Warner Avenue Elementary School (ranked 482 out of 492 elementary schools) received \$45,362²⁹

- A significant number of schools received funding for Transitional Kindergarten expansion, without any evident relationship to its rank on the LAUSD Need Index
- Adviser registration and parent involvement funding appears to have been allocated primarily based on enrollment and without regard to a school's rank (in particular at the secondary level). For example, the lowest-need middle school (Paul Revere Middle School) received nearly double the adviser registration funding (\$20,928) as the highest-need middle school (William Jefferson Clinton Middle School), which received \$11,724. Similarly, Alfred Nobel Charter School (ranked 84 out of 86 middle schools) received nearly the same amount of parent involvement funding (\$7,318) as William Jefferson Clinton Middle School (\$7,722).
- \$172.9 million allocated to schools based on other criteria related to student need
 - \$117.1 million of discretionary funds were provided to schools based on a specific dollar amount for each TSP student served by that school (called "Program 10183" based on the funding code applied to this program); although this amount was not differentiated based on a school's rank on the LAUSD Need Index, this allocation does account for student need in that schools with more TSP students received additional dollars
 - \$41.0 million was allocated to schools determined to be "underfunded" in the "Per Pupil Funding Pilot," which is determined based on a comparison of the school's expenses with the revenues earned by a school's students, with TSP students earning additional funding
 - \$14.8 million was allocated to schools participating in the settlement of the Reed v. LA Unified lawsuit, chosen because of high rates of teacher turnover and low academic achievement; although this amount was not differentiated based on a school's rank on the LAUSD Need Index, most practitioners would agree that the Reed Investment Schools serve some of the highest need communities in LA Unified and that these funds were distributed equitably based on meaningful factors that assess need at the schools.





Because most of the Equity Based Investments were allocated based on criteria other than a school's ranking on the LAUSD Need Index, there is only a modest and inconsistent relationship between a schools' ranking on the index and the total amount of Equity Based Investments it received on a per student basis (see Figure 2 for a chart showing the relationship between index rank and Equity Based Investment funds per student). In fact, there are many instances where schools that rank high on the LAUSD Need Index received the same or less Equity Based Investment per student than schools at the bottom of the index. For example, Esperanza Elementary (the highest-need elementary school on the LAUSD Need Index) received \$610 of Equity Based Investments per student, less than the approximately \$720 of Equity Based Investments per student received at Fifty-Fourth Street Elementary School (ranked as the 366th highest-need elementary on the LAUSD Need Index).

Focusing only on the \$110.6 million of positions and programs discussed above, there is virtually no relationship between a school's rank on the LAUSD Need Index and the amount of funding received on a per student basis (see Figure 5).³⁰ A better alternative to support high-need schools would be to distribute this \$110.6 million directly to schools based on a revised need index. For example, at the elementary school level, LA Unified could provide an additional \$400 per student to the top 10% of high-need schools on the revised index, and reduce this amount by \$40 per student for each subsequent decile. Based on our analysis, the total cost of this approach would be close to the same as the amount of money that was distributed without regard to rank on the index or other measurement of student need.³¹



However, this would result in the high-need school profiled earlier earning approximately \$150,000 to \$200,000 more than it received with the current funding methodology, which would allow the school to provide vitally important supports such as an intervention teacher, mental health resources, and/or enrichment programs, among other items.

Figure 5

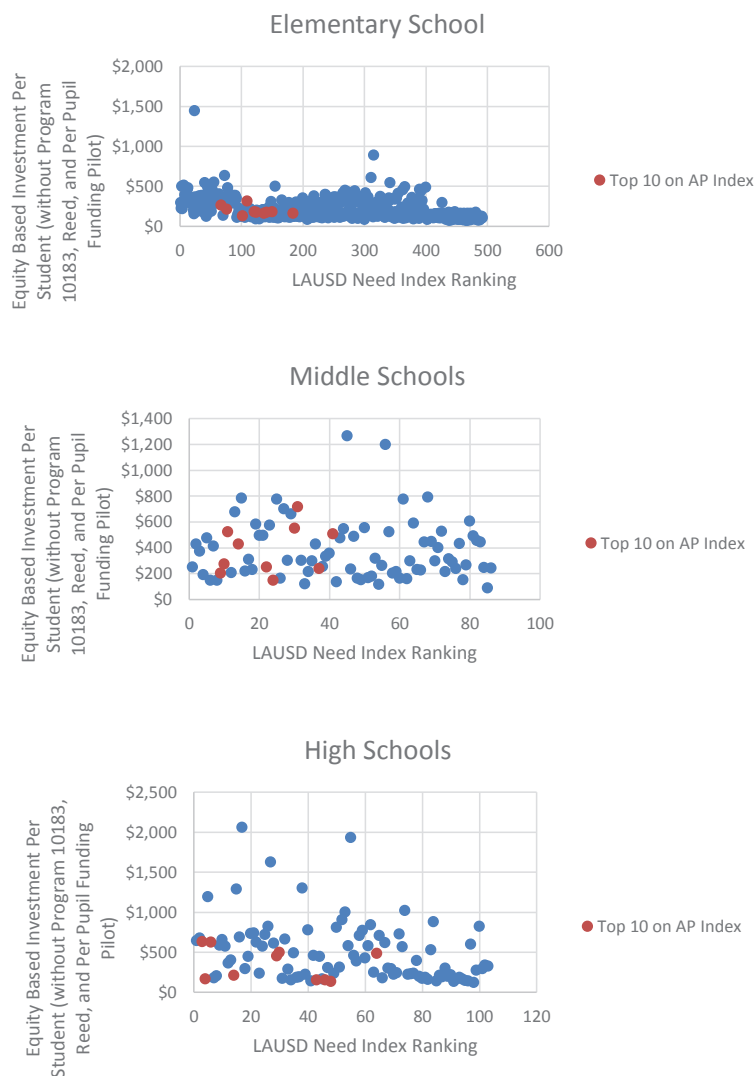


Figure 5 illustrates that there is virtually no relationship between a school's rank on the LAUSD Need Index and the amount of Equity Based Investment received on a per student basis when one focuses only on the \$110.6 million of positions and programs discussed earlier.



IV. THE PATH FORWARD

LA Unified has not yet made equity the foundation of its budget policy, even for the portion of the budget designated to serve high-need students. In order to do that, it must first create an index that accurately identifies schools serving students with the most intense need. This should include input from other stakeholders and include additional factors beyond simply the number of targeted students. The Advancement Project has already created such an index which could serve as a role model for a revised index that includes additional factors beyond student demographics.

Second, the various “investment” dollars described above should be aligned to the revised need index and provided directly to high-need schools. The most impactful way to do this (and most consistent with LCFF) is to send the annual supplemental expenditures spent on TSP students (\$870 million in 2016-17) directly to schools based on their ranking on the revised index, rather than providing schools with specific positions or programs chosen centrally and which may not be responsive to the needs of specific schools. This would satisfy the budgeting principle advocated by many civil rights groups that school funding should be both flexible and equitable. At a minimum, any new allocations made to schools, such as the \$245 million in the 2016-17 budget that is “undetermined” following the *Frias v. LAUSD* lawsuit, as well as increased LCFF supplemental and concentration grant funding received in future years, should be allocated directly to schools based on their need as determined by the revised index.³²

Going forward, this need-based methodology should gradually be expanded to guide the entire LA Unified operating budget. As discussed above, equity can never be the foundation of LA Unified's budget process while the vast bulk of school funding comes from norm positions based on predetermined staffing ratios that do not meaningfully differentiate between schools on the basis of student need.

LA Unified is at a crossroads. By June 30, 2017, LA Unified will decide how to allocate hundreds of millions of dollars that must be spent on high-need students, including a considerable portion of previously unassigned funds. If it seizes this opportunity to accurately identify its highest-need schools, and uses this index to guide these allocations, LA Unified will not only provide tens of thousands of students with much needed resources that will have an immediate impact on their lives - it will also have set a path that may one day result in equity becoming the foundation of the entire budget.

V. REFERENCES

¹ Although only \$19.3 million was allocated based on a school's rank on the need index, LA Unified does have other programs that have successfully targeted funds toward high-need schools. As an example, significant investments were made in schools participating in the Reed Investment program after the settlement of the Reed v. LA Unified lawsuit. Participating schools were selected due to high rates of teacher turnover and low academic achievement. This paper recommends that more funds be allocated following the example of the Reed Investment program.

² LA Unified staffing norm tables make a distinction between schools classified as "Predominantly Hispanic, Black, Asian, or Other Non-Anglo" ("PHBAO") and non-PHBAO schools, with PHBAO schools receiving slightly more resources on a per-student basis. However, almost 70% of LA Unified schools are PHBAO, meaning that the vast majority of schools are staffed using the same norm tables.

³ The LCFF legislation uses the term "unduplicated" students to refer to those students that generate supplemental and concentration dollars. However, for ease of reference, this paper refers to these students as TSP students, which is the term LA Unified uses to address the intended recipients of additional funding and support.

⁴ Kaplan, J. (November 2015), California's Support for K-12 Education Ranks Low by Almost Any Measure, California Budget and





Policy Center – November 2015 Fact Sheet.

⁵ 2016-17 Los Angeles Unified School District Superintendent's Final Budget, pg 59.

⁶ Educ. Code Section 42238.07(a)(1).

⁷ See Advancement Project Aggregate Student Need Index.

⁸ See LAUSD Need Index.

⁹ 2014-15 Los Angeles Unified School District Superintendent's Final Budget, Summary of Equity-Based Index for 2014-15 ("LA Unified] used the Aggregate Student Need Index developed by the Advancement Project, Community Coalition, and InnerCity Struggle as a starting point in developing this equity-based model. After analyzing the two models, we observed that there is a strong correlation between duplicated counts and academic, health, and safety variables at local schools.")

¹⁰ Florence Griffith Joyner Elementary School is in the Partnership for Los Angeles Schools network.

¹¹ LA Unified's total operating budget is approximately \$9.08 billion, which includes the General Fund, Adult Education Fund, Child Development Fund and Cafeteria Fund (LAUSD Superintendent's Final Budget, 2016-17, page 20). Throughout this paper, when referring to the LA Unified operating budget, we refer specifically to the \$8.4 billion General Fund which does not include funding for adult education, early childhood education, and the cafeteria program (2016-17 Los Angeles Unified School District Superintendent's Final Budget at page 20-21).

¹² 2016-17 Los Angeles Unified School District Superintendent's Final Budget, page 59.

¹³ LA Unified Board Adopted Student Equity-Based Index, Existing and New Investments, Fiscal Year 2016-17 (Rev. 04/22/2016).

¹⁴ Ibid.

¹⁵ For example – nursing, psychiatric social works, attendance counselors, and supports to EL learners, special education students and adult education programs, among other items (2016-17 Los Angeles Unified School District Superintendent's Final Budget, page 64). LA Unified did not identify how these items were assigned to schools.

¹⁶ California Department of Education (CDE) Investigation of Appeal Against the Los Angeles Unified School District, Reyna Frias, Appellant, as clarified on reconsideration August 5, 2016.

¹⁷ Advocacy Groups React to Rejection of LAUSD Appeal on Multimillion-Dollar Error in Funding for High-Need Students, (Public Advocates Press Release dated August 8, 2016). Retrieved from <http://www.publicadvocates.org/our-work/education/advocacy-groups-react-rejection-laugd-appeal-multimillion-dollar-error-funding-high-need-students/>

¹⁸ 2016-17 Los Angeles Unified School District Superintendent's Final Budget, pg. 167; Board of Education Report No. 493/15-16 (June 14, 2016), Attachment A.



¹⁹2016-17 Los Angeles Unified School District Superintendent's Final Budget, Appendix G1.

²⁰By way of example: School X has 100 students. 90 students qualify for FRL, 40 students are within the EL category, and 10 students are foster youth. Thus, for purposes of the "duplicated" count, this total number of students (140) would be divided by total enrollment (100) to obtain a duplicated percentage of 140%. For context, Esperanza Elementary is the highest-need elementary school on the LAUSD Need Index, with a 201.75% duplicated percentage, and Canyon Charter Elementary School is the lowest-need elementary school with a duplicated percentage of 6.10%.

²¹Dynarski, S., *Why American Schools Are Even More Unequal Than We Thought*, *New York Times* (August 12, 2016).

²²Mapping LA: Summary of Los Angeles Neighborhoods' Median Income, *Los Angeles Times*.

²³Dynarski, S., *Why American Schools Are Even More Unequal Than We Thought*, *New York Times* (August 12, 2016).

²⁴Los Angeles Unified School District Fingertip Facts (2016-17).

²⁵FRL status also relies on parents to submit a meal application or other form of income verification in order to verify income eligibility. Unfortunately, schools often find that the higher the poverty rate in the community, the more difficult it is to ensure 100% participation in the income verification process. This can lead to a perverse outcome in which the highest-need schools may have FRL rates below the LA Unified average when, in reality, all families at such schools have qualifying incomes.

²⁶California Department of Education, DataQuest, accessed at <http://data1.cde.ca.gov/dataquest/>

²⁷LA Unified Pupil Services, Foster Youth Achievement Program, retrieved from <http://achieve.lausd.net/Page/1497>

²⁸In the interest of full disclosure, nine Partnership for Los Angeles schools are among top 25 highest-need schools on the Advancement Project Index for their respective grade levels.

²⁹LA Unified also has an Arts Equity Index that is intended to categorize all LA Unified schools based on the scope of their existing arts instruction and resources, the number of students who qualify for Title I status, and the school's rank on the LAUSD Need Index.

³⁰One key factor contributing to these outcomes is that a significant portion of the Equity Based Investments provided to schools was through the blanket allocation of positions, which means that schools received resources in fixed increments. Thus, when positions were allocated uniformly across all schools, smaller schools received more dollars per student. In fact, at middle schools and high schools, there is a higher correlation between enrollment and investment per student than LAUSD Need Index rank and investment per student.

³¹The total cost to implement this proposal at the elementary school level is approximately \$63 million, compared to the approximately \$57 million allocated without regard to rank on the index or other measurement of student need at the elementary school level.

³²It should be acknowledged that LA Unified serves a relatively high-need population and that K-12 education funding levels in California are far too low across the board. Although a significant amount of the funds reflected on the LAUSD Need Index have not been allocated with student need and equity as the "foundation" of these funds, it thus would be very harmful to remove resources from schools without adequate notice and preparation. However, at a minimum, all supplemental and concentration funds should be allocated on the basis of the revised needs index by the 2019-20 school year.



PARTNERSHIP FOR LOS ANGELES SCHOOLS

20th Street Elementary School • 99th St. Elementary • 107th Street Elementary School • Carver Middle School • Figueroa Elementary • Gompers Middle School • Grape Street Elementary School • Griffith Joyner Elementary • Hollenbeck Middle School • Huerta Elementary • Jordan High School • Markham Middle School • Math, Science & Technology Magnet Academy at Roosevelt • Mendez High School • Ritter Elementary School • Roosevelt Senior High School • Santee Education Complex • Stevenson Middle School • Sunrise Elementary

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